Annual Report 2024

NIBC Holding N.V.

NIBC
the entrepreneurial bank

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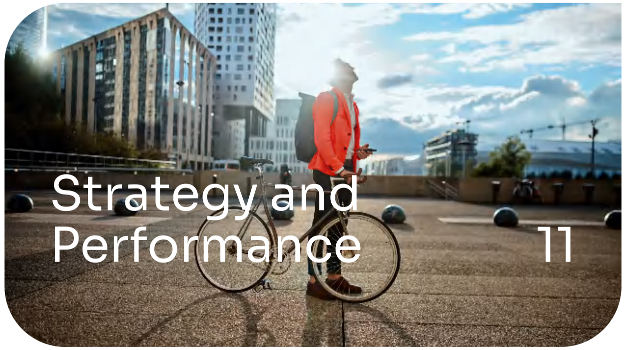


Introduction

About this report

Who is this report for

This report is intended to inform the stakeholders of NIBC Holding N.V. (**NIBC**) about our activities, ability to create value and impact on our operating environment. These stakeholders include a.o. clients, investors, our shareholder, regulators, suppliers, employees, government authorities and non-governmental organisations.

Merger between NIBC Holding N.V. and NIBC Bank N.V.

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 annual report of NIBC Holding N.V.. NIBC Bank N.V. as surviving entity will be responsible for the governance relating to the Annual Report 2024 of NIBC Holding N.V. (the Annual Report 2024 of NIBC Holding N.V. will be published on NIBC's website and subsequently be filed (after approval by the general shareholders meeting of NIBC Bank N.V.) by the Chamber of Commerce by the Managing Board of NIBC Bank N.V.).

Approach to integrated reporting

In this integrated report, we disclose NIBC's strategy and results with respect to both financial and non-financial matters and with the associated impacts, opportunities and risks.

In NIBC's integrated report, the current 'Introduction' section together with the 'Strategy and Performance', 'Risk management' and 'Sustainability Statement' sections and the 'Corporate Governance', 'Leadership' and 'In Control Report' paragraphs are considered to form the Report of the Managing Board, as referred to in Part 9 of Book 2 of the Dutch Civil Code (**DCC**).

The numbers in this report are presented in euros (EUR), rounded to the nearest million (unless otherwise stated). Small differences in figures and tables are possible due to rounding. Percentages have been calculated using unrounded figures.

Reporting guidelines

This annual report of NIBC has been prepared in accordance with IFRS-EU and with Title 9 of Book 2 of the Dutch Civil Code. In addition, we have decided to voluntarily use the European Sustainability Reporting Standards (ESRS), introduced by the EU Corporate Sustainability Reporting Directive (CSRD), as we anticipate the transposition of this directive into Dutch law. Therefore the disclosures and reporting standards in this report have changed in scope and substance versus the 2023 Annual Report, as they are prepared in accordance with ESRS.

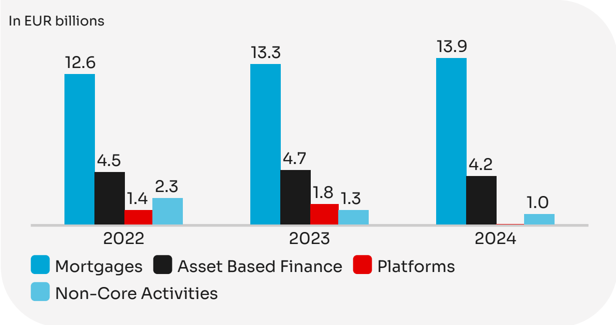
Assurance

The financial statements, which include the consolidated financial statements and the company financial statements, are subject to reasonable assurance. This reasonable assurance is provided by EY Accountants B.V. (**EY**). For the year ended 31 December 2024, EY has audited NIBC's consolidated financial statements in accordance with IFRS-EU and Part 9 Book 2 of the DCC, and NIBC's company financial statements in accordance with Part 9 Book 2 of the DCC.

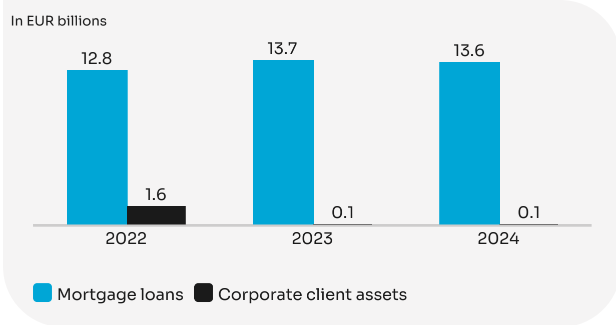
Assurance for the non-financial information in this report is provided by EY. For the year ended 31 December 2024, EY has provided limited assurance on the non-financial information in the Sustainability Statement.

Financial Highlights

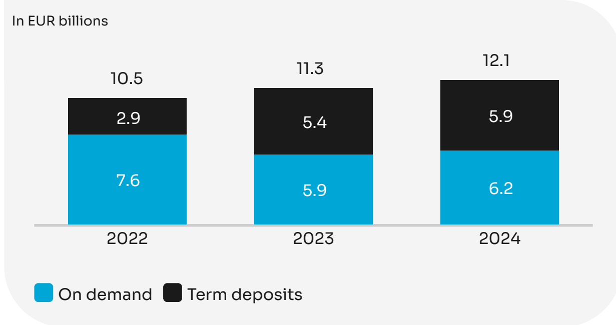
Client exposure own book



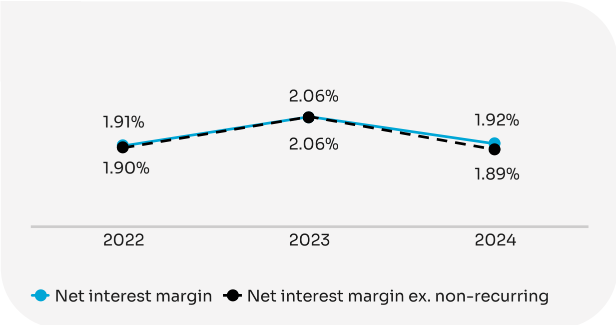
Client exposure Originate-to-Manage



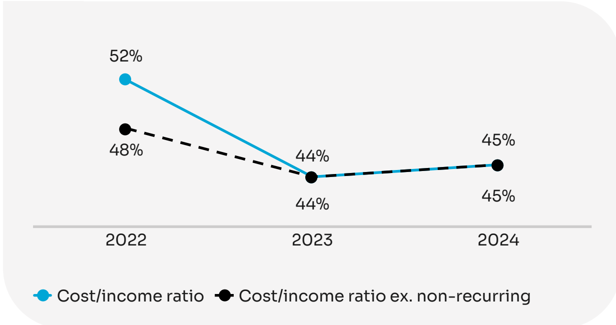
Retail savings



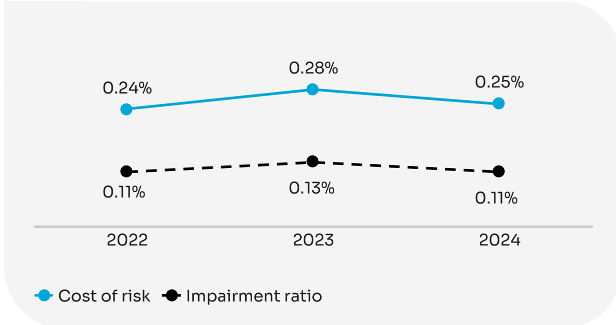
Net interest margin



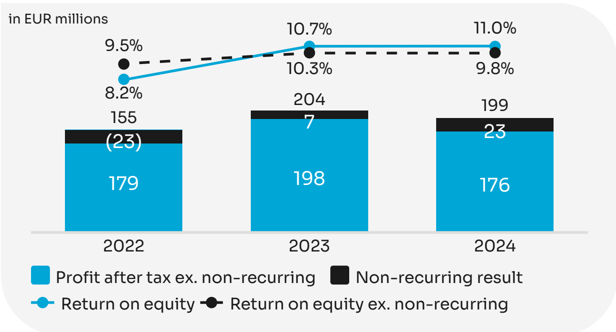
Cost income ratio



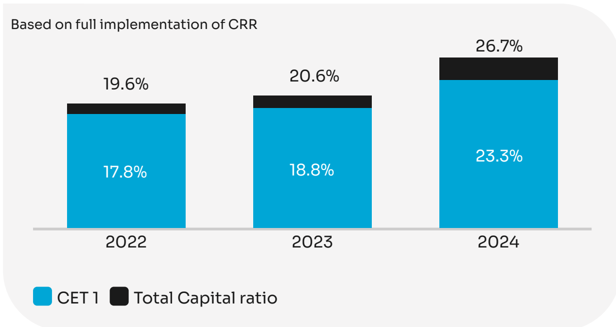
Cost of risk/impairment ratio



Profit after tax attr. to shareholders and return on equity



Solvency ratios



Non-Financial Highlights

NIBC customer survey score

Mortgages

2024

8.3

2023: 8.3 2022: 8.5

Savings

2024

8.1

2023: 8.0 2022: 8.1

Asset Based Finance NPS score

2024

70%

2023: 87% 2022: 86%

Reduction of estimated emissions

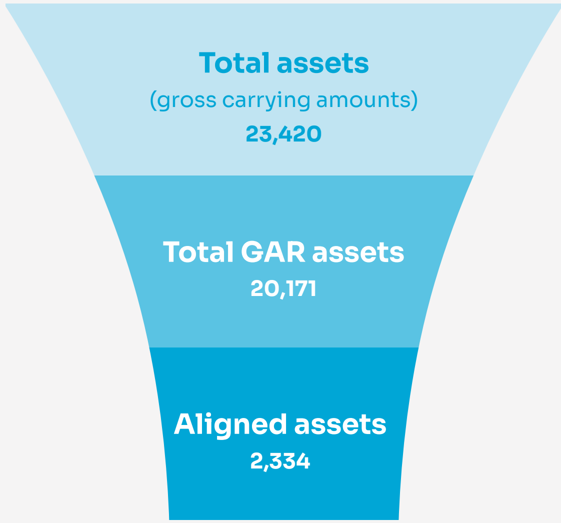
2024

62%

2023: 55% 2022: 21%

Green Asset Ratio (GAR) Turnover (Bank consolidated)

in EUR millions



GAR 11.57%

Proportion of NIBC's assets that finance EU taxonomy-aligned activities

Sustainability ratings

2024

ISS

C+/Prime

Sustainalytics

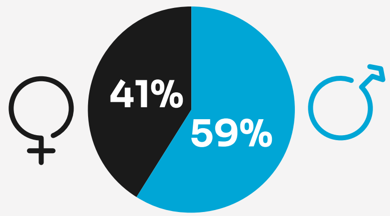
19.9

Moody's

CIS-2, E-3, S-3, G-2

Male/ female ratio (all employees)

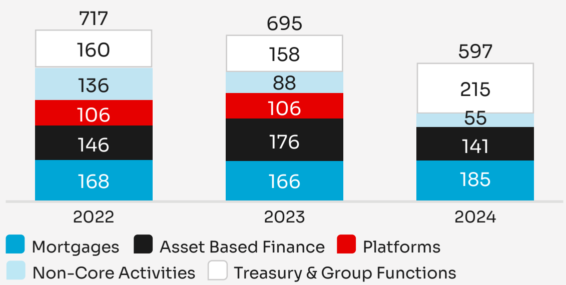
2024



2023: 64% / 36% 2022: 65% / 35%

Number of employees per segment[1]

in fte



[1] Including allocated FTEs from support functions.

Key Figures

Earnings

	2024	ex. non-recurring 2024	2023	ex. non-recurring 2023	2022	ex. non-recurring 2022
Operating income	517	506	545	544	473	510
Operating expenses	231	229	237	237	247	245
Profit after tax attr. to shareholders	199	176	204	198	155	179
Dividend pay-out ratio[1,2]	27%	-	100%	-	75%	-
Cost/income ratio[1]	45%	45%	44%	44%	52%	48%
Net interest margin[1]	1.92%	1.89%	2.06%	2.06%	1.91%	1.90%
Return on equity[1]	11.0%	9.8%	10.7%	10.3%	8.2%	9.5%
Return on CET 1 capital at 13%[1]	18.7%	16.6%	16.7%	16.1%	12.0%	13.9%

1 Items are Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.
2 For 2024, the dividend pay-out ratio only includes interim dividend as EUR 145 million net profit is proposed to be added to retained earnings within other reserves (considering the legal merger executed on 1 January 2025).

CLARIFICATION OF THE NON-RECURRING AND NON-CORE CONCEPTS

Non-recurring results refer to results related to one-off, special items, usually related to strategic choices and projects of the company, but they do not include income and expenses recognised on such items or portfolios during the normal course of business. For a further description of the non-recurring results in 2024, please refer to the Financial performance section. Non-Core Activities is the separate segment in which NIBC has combined those activities that are no longer part of its strategic focus and which are managed separately with the aim to reduce exposures and operations. For more information on segment reporting, please refer to note 1 Segment report.

Performance per segment 2024

in EUR millions	Mortgages	Asset Based Finance	Treasury & Group functions	Core Activities	Platforms	Non-Core Activities	Total Consoli-dated
Operating income	136	109	182	427	69	21	517
Operating expenses	63	44	88	195	20	16	231
Credit loss expense	(3)	(0)	(0)	(3)	12	12	20
Gains or (losses) on disposal of assets	-	-	-	-	12	0	12
Income tax	20	17	23	59	10	0	69
Profit after tax	**56**	**49**	**71**	**176**	**40**	**(7)**	**208**
Attributable to:							
Shareholders of the company	**56**	**49**	**62**	**167**	**40**	**(7)**	**199**
Holders of capital securities	-	-	9	9	-	-	9

Performance per segment 2023

in EUR millions	Mortgages	Asset Based Finance	Treasury & Group functions	Core Activities	Platforms	Non-Core Activities	Total Consoli-dated
Operating income	138	99	215	453	57	35	545
Operating expenses	64	45	80	189	19	30	237
Credit loss expense	1	0	(0)	1	5	19	25
Gains or (losses) on disposal of assets	-	-	-	-	-	7	7
Income tax	19	14	32	65	9	(1)	73
Profit after tax	**55**	**40**	**103**	**198**	**24**	**(6)**	**216**
Attributable to:							
Shareholders of the company	**55**	**40**	**91**	**186**	**24**	**(6)**	**204**
Holders of capital securities	-	-	12	12	-	-	12

Portfolio

in EUR millions	2024	2023	2022
Mortgages			
Owner-occupied mortgage loans – Netherlands	12,564	11,929	11,277
Buy-to-Let mortgage loans	1,313	1,354	1,367
Owner-occupied mortgage loans – Germany	4	5	6
Originate-to-Manage (OTM) mortgage loans	13,617	13,651	12,836
Total Mortgages	**27,498**	**26,939**	**25,487**
Asset Based Finance			
Real Estate	2,114	1,843	1,857
Infrastructure	2,037	1,893	1,545
Shipping	-	955	1,115
Total Asset Based Finance	**4,151**	**4,691**	**4,517**
Total Core Activities	**31,649**	**31,630**	**30,004**
Platforms			
Equipment leasing	-	1,398	1,197
Automotive financing	-	385	252
Total Platforms	**-**	**1,784**	**1,449**
Non-Core Activities			
Loans	855	1,176	1,954
Equity investments	118	132	273
Originate-to-Manage (OTM) corporate assets	131	147	1,577
Other Lease receivables	1	7	31
Total Non-Core Activities	**1,106**	**1,462**	**3,835**
Total Portfolio	**32,754**	**34,876**	**35,288**

in EUR millions	2024	2023	2022
Portfolio per region (excl. OTM)			
Netherlands	16,227	17,788	17,351
Germany	693	938	1,083
United Kingdom	1,309	1,136	1,141
Other	776	1,215	1,300
Total Portfolio per region (excl. OTM)	**19,006**	**21,078**	**20,875**
Retail client savings			
Netherlands	7,289	6,918	6,142
Germany	3,249	3,206	3,429
Belgium	1,552	1,165	999
Total retail client savings	**12,089**	**11,289**	**10,570**

Portfolio Asset Quality

	2024	2023	2022
Cost of risk (on average RWA)[1]	0.25%	0.28%	0.24%
Impairment ratio[1]	0.11%	0.13%	0.11%
Impairment coverage ratio[1]	22%	29%	37%
NPL ratio[1]	1.42%	1.7%	2.0%
Top-20 exposure/Common Equity Tier 1 capital	61%	54%	62%
Exposure corporate arrears > 90 days	0.1%	1.1%	1.3%
Exposure residential mortgage loans arrears > 90 days	0.1%	0.1%	0.1%
Loan-to-value Dutch residential mortgage loans	55%	59%	55%
Loan-to-value BTL mortgage loans	51%	56%	53%

1 Items are Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.

Solvency information

	2024	2023	2022
Equity attributable to shareholders of the company	1,803	1,952	1,964
AT1 and subordinated liabilities	642	425	402
Group capital base	2,446	2,376	2,366
Common Equity Tier 1 capital	1,631	1,756	1,696
Common Equity Tier 1 capital at 13%	909	1,211	1,240
Balance sheet total	22,951	23,177	22,807
Risk Weighted Assets	6,991	9,319	9,541
Common Equity Tier 1 ratio	23.3%	18.8%	17.8%
Tier 1 ratio	24.8%	20.1%	19.0%
Total capital ratio	26.7%	20.6%	19.6%
Leverage ratio	7.3%	7.9%	7.7%

Funding & liquidity

	2024	2023	2022
LCR	334%	243%	207%
NSFR	144%	132%	131%
Loan-to-deposit ratio[1]	143%	163%	163%
Asset encumbrance ratio	26%	27%	26%
Retail savings/total funding	53%	48%	45%
Secured funding/total funding	21%	22%	22%
S&P rating and outlook[2]	BBB Stable	BBB Stable	BBB+ Stable
Fitch rating and outlook[2]	A- Stable	BBB+ Positive	BBB+ Stable
Moody's rating and outlook[2]	A2 Stable	A3 Stable	Baa1 Stable

1 Item is Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.
2 Reported ratings are based on NIBC's senior preferred debt ratings.The rating of Moody's is unsolicited.

Foreword from the CEO

In a world with many political and macro-economic challenges and uncertainties and financial markets dealing with a tightening monetary policy, NIBC has continued to focus on supporting its clients in realising their ambitions by providing asset financing solutions. This dedication is reflected in the continued growth of our core business lines, with on-balance mortgage exposure growing by approximately EUR 600 million, savings volume increasing by EUR 800 million and asset based finance exposure growing by more than EUR 400 million. In the retail business, we have welcomed approximately 29,000 new clients.

Our commitment to client service is highlighted by our strong client satisfaction scores and the recognition we have received, including being named 'Best medium-sized mortgage lender 2024' for NIBC and for Lot Hypotheken, the latter in the category 'Source Data', illustrating our commitment to continuous improvement of the client journey.

We have further streamlined our business proposition and de-risked our balance sheet, notably through the sale of our Shipping franchise in the first half of 2024 and the successful transfer of ownership for both platform activities, Beequip and yesqar, at the end of the year. Additionally, we have continued to significantly reduce our non-core portfolios. On the wholesale funding side, we successfully issued both new AT1 and Tier 2 debt. Supported by these developments, NIBC continues to report strong capital and liquidity ratios. In recognition of various of these developments, NIBC's senior debt ratings improved in 2024, as both Fitch (to A-) and Moody's (to A2) upgraded their ratings in the first half of 2024.

For 2024, NIBC reports a solid financial performance, realising a net profit of EUR 199 million, including a non-recurring gain of EUR 23 million net of tax relating to the sale of Shipping, Beequip and yesqar and the merger between NIBC Holding and NIBC Bank. Net interest income declined, especially because of the sale of the Shipping portfolio and further reduction of the non-core portfolio. This is partly compensated by reduced operating expenses, despite the continued inflationary pressure. Reported credit losses remain moderate and impaired exposure has been further reduced. Our capital position has improved strongly due to the sale of the various portfolios, reducing risk weighted assets.

NIBC continues to expand its efforts in the field of sustainability, as we are committed to contributing to a more sustainable, resilient and inclusive future. This year, we achieved a Green Asset ratio of 11.6% and a 62% reduction in emissions in 2024, mainly on the back of the exit of our Shipping activities.

On a personal note, I am excited to have joined this entrepreneurial bank, which repeatedly demonstrates its ability to execute on its plans and ambitions and to adapt to changing circumstances, and I look forward to realising further growth together with both NIBC's clients and staff. I would like to thank Paulus de Wilt for his leadership during the past decade. Having led the bank during the past ten years, he has changed the bank into the focused asset financier that it is today, and I look forward to continue the development of the bank from this point forward. Additionally, I want to thank Reinout van Riel, who is stepping down as CRO of NIBC. Over the past eight years, he has played a pivotal role in the improvement of the bank's risk profile and in further strengthening our risk function. We are excited and proud to welcome Sven de Veij as his successor, which illustrates the depth of talent within our organisation.

I am grateful for the commitment and dedication of our people towards their work and our clients. The past year has, in different and unexpected ways, been demanding for our people as well as our clients. Guided by our 'Think Yes' mentality, the entrepreneurial spirit of our people and today's results, we are moving into 2025 with confidence and an eye on new horizons and growth. We will continue to be there for our clients, now and in the future.

Nick Jue
Chief Executive Officer,
Chair of the Managing Board

Strategy and Performance

Vision and strategy

OUR HERITAGE

NIBC was founded in 1945, with the aim of providing financing to visionary entrepreneurs who helped rebuild the Netherlands after World War II. Over the years, we have evolved into an entrepreneurial asset financier for companies and individuals focused on financing, advising and co-investing.

After emerging from the 2008 financial crisis without government support, we reinvented ourselves: as a flexible bank that can act quickly, with a “THINK YES” mentality and a “can do” attitude as strong as our clients. Over the years, we have been able to build on our entrepreneurial DNA and are committed to always making a difference, for our clients and for society around us. Shaped by almost 80 years of experience, we support our clients in realising their ambitions and actively helping to build a sustainable, resilient and inclusive society for future generations.

OUR PURPOSE

Enabling Ambitions

OUR VALUES

Our corporate values are behind everything we do, the way we do it, and how we measure our success. These values set us apart in the market: professional, adaptive, collaborative and entrepreneurial. By embedding these values into our daily operations, we are committed to creating long-term value for our clients, shareholders, and communities.

Professional
We have in-depth product knowledge and provide expert financial solutions for our clients as the foundation of our success.

Adaptive
For 80 years, flexibility and change has been in our DNA; helping us meet our clients’ evolving needs.

Collaborative
We believe in a personal approach and working together to realise sustainable impact for our clients and the world around us.

Entrepreneurial
As a sound, enterprising financier, we focus on delivering smart financing solutions while taking responsibility and get things done.

PRODUCT OFFERING AND MARKETS

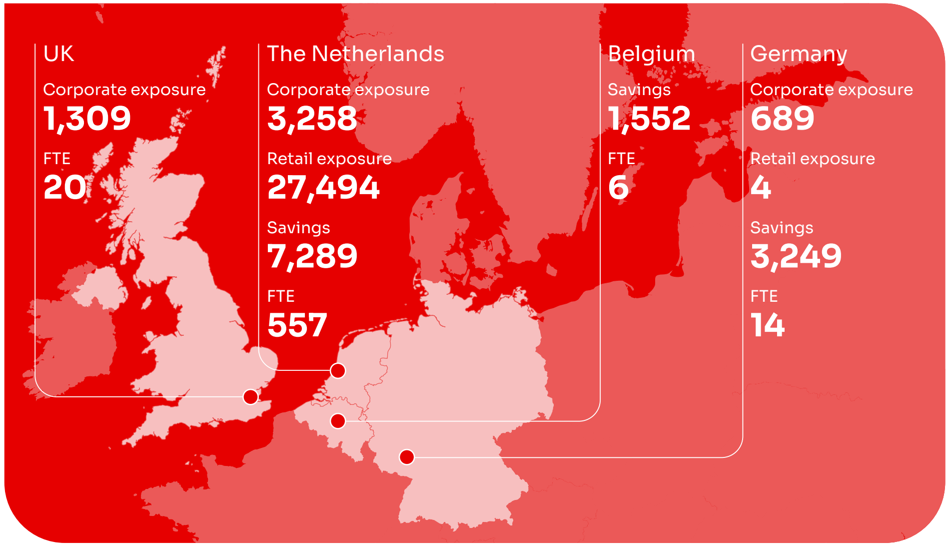
Our Business model

NIBC is the entrepreneurial asset financier for individuals and companies. We finance assets from private housing to rental property, real estate, and infrastructure. As a professional and reliable partner, we build long-term relationships based on knowledge and expertise.

Our mortgage and saving products are designed to be accessible, transparent, and straightforward for a wide range of clients. We develop new products that align with our clients' needs and market trends. We help our clients realise their dreams - from making their house more sustainable, gaining financial security to creating a place they can truly call home.

For businesses, we offer financial solutions tailored to the real estate and infrastructure sectors – industries that often require more than a standard financing partner. Here, our experience, expertise, and agility allows us to excel. Whether our clients are seeking growth, undergoing a transition, or innovating, we support them in all their entrepreneurial endeavours.

Our markets



Business profile

Strong focus on retail...

MORTGAGES

- Owner-occupied mortgages in the Netherlands (private housing)
- Buy-to-Let mortgage in the Netherlands (rental property)

- Total on-balance mortgage exposure of EUR **13.9** billion
- Originate-to-Manage mortgage exposure (off-balance) for institutional investors of EUR **13.6** billion

SAVINGS

- Online on-demand savings and term deposits through NIBC platform in the Netherlands, Germany and Belgium

- Total retail savings of EUR **12.1** billion

...and asset-based corporate lending

REAL ESTATE

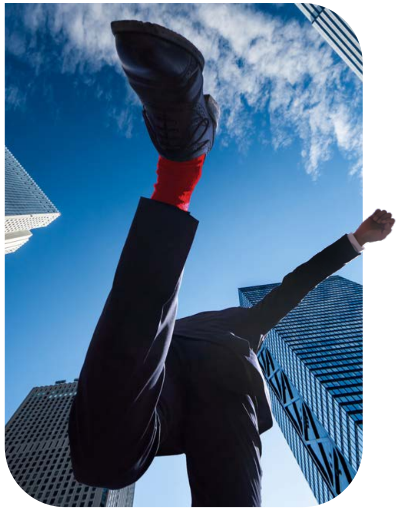
- Real estate financing with a strong focus on investment financing of residential real estate in the Netherlands

- Total Real Estate exposure of EUR **2.1** billion
- Typical ticket size: EUR **15-50** million

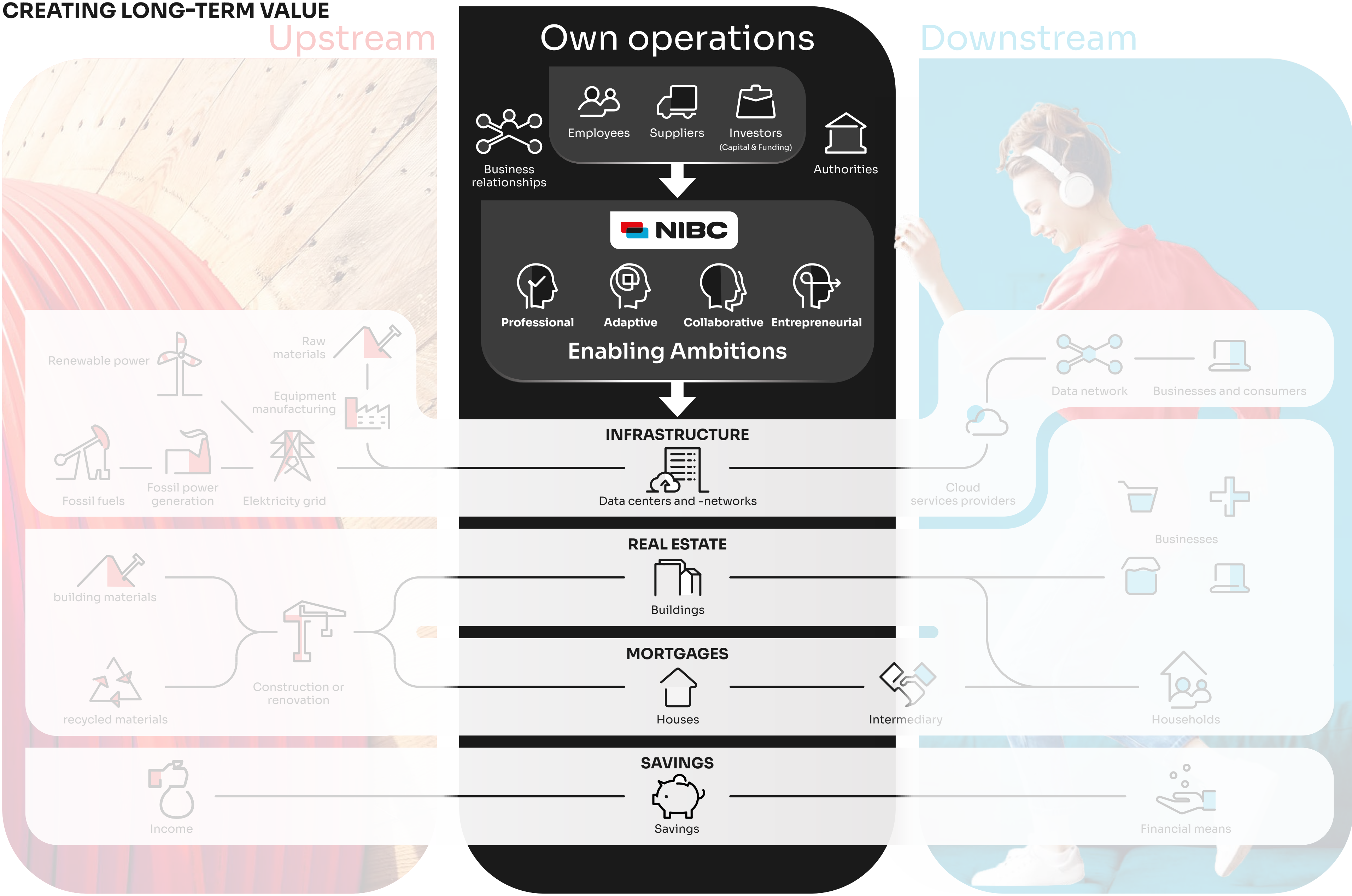
INFRASTRUCTURE

- Infrastructure financing with a focus on data centers in Western Europe

- Total Infrastructure exposure of EUR **2.0** billion
- Typical ticket size: EUR **25-50** million



CREATING LONG-TERM VALUE



NIBC's value creation is built on the bank's history. Established in 1945 to help rebuild the Netherlands after the World War II, NIBC is strongly rooted in its obligations to create societal value and financial resilience. This background has made NIBC a company built on optimism and getting things done. Over time we have evolved to become an enterprising bank offering asset-based financing to entrepreneurial corporate and retail clients in North-western Europe. By continuing to transform our business and to adapt to changing societal needs, we aim to continue our tradition of creating long-term value for our stakeholders.

NIBC's approximately 600 employees serve around 500,000 retail clients and over 250 corporate clients, professionally supporting companies and individuals in realising their dreams and ambitions with a sustainable future in mind. Each of NIBC's business units is responsible for managing sustainability risks and opportunities as part of their regular activities.

As a mid-sized financial institution operating from the Netherlands, with branches in the United Kingdom, Germany and Belgium, our business model is differentiated from peers in that we are foremost an asset-based financier that focuses on specific asset classes where we are able to add value. Within these asset classes we offer a focused product mix that deliberately does not include universal products such as current accounts, payment services, credit cards or other highly transactional activities. This business model fits our ability to innovate and rapidly adapt to changing credit markets.

Social and economic impact of on-going geopolitical tensions and conflicts, climate change and of rapid technology advancements are among the developments that make our operating context increasingly dynamic. Also regulation and oversight responds to these changes, leading to additional challenges. NIBC, our clients, investors, business partners and other stakeholders are all impacted by these developments. NIBC steers through this context using its corporate values, its risk appetite framework and balanced decision-making as key factors for success.

Certain key drivers are pivotal to our value creation model. Our relationships with retail and corporate clients are based on trust. Access to funding through retail savings, debt investors and shareholders enables us to execute our strategy. Our employees bring us the skills and knowledge needed to deliver our strategy. Our risk management systems and processes reduce the financial and non-financial risks in the execution of our product offering for both NIBC and our clients. Our technology and data capabilities help us to deliver a great client experience, to scale up activities and to operate as a modern financial institution without the need for brick and mortar branches. And our relationships with regulators, rating agencies and civil society organisations bring strength to our brand and reputation.

This creates tangible value to our stakeholders. Our corporate clients receive funding to grow their business. Our mortgage clients receive funding to purchase a home. Our savings clients can save for tomorrow and increase their financial resilience. Our workforce has good purposeful employment in a safe work environment. Our investors receive good returns enabling them to meet their goals. And the communities we serve are more resilient and stronger, benefitting from the growth, services and opportunities we have helped to deliver.

Asset classes supported by NIBC may contribute to several UN sustainable development goals includingsustainable cities and communities, decent work and economic growth, innovation and infrastructure, reducing inequalities and stimulating climate transition and adaptation actions.

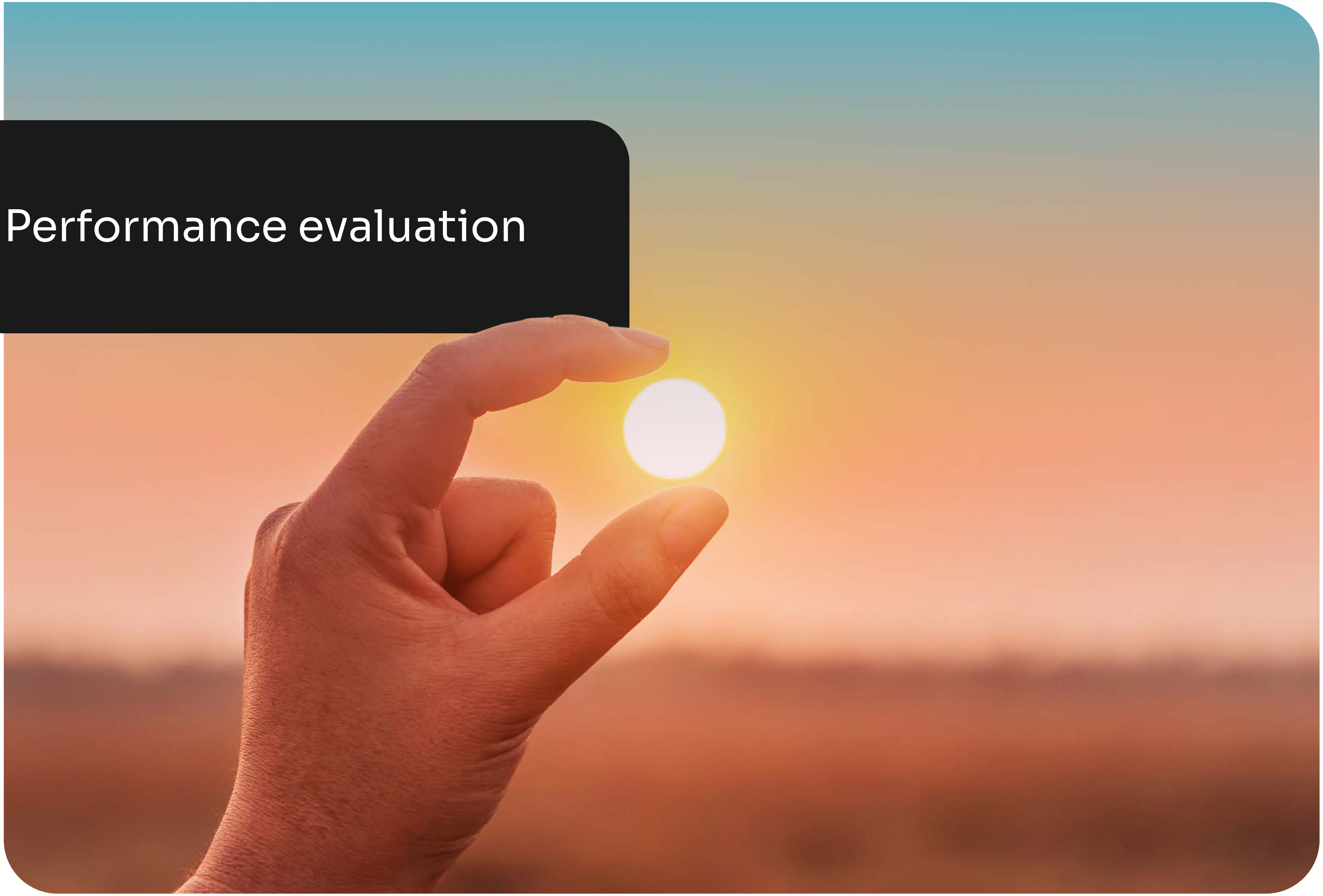
SWOT analysis

As part of our annual planning cycle, we assess NIBC's position in the market and the opportunities and challenges present while also reflecting on the strengths and weaknesses of NIBC.

STRENGTHS	WEAKNESSES
▪ A clear and focused business model; ▪ Medium size allows for flexibility to adapt to a changing world and to respond to opportunities when these arise; ▪ A professional, adaptive, collaborative and entrepreneurial workforce; ▪ Proven track record to successfully set up and grow new initiatives; ▪ Strong capital base and liquidity positions, enabling us to absorb shocks and act on opportunities.	▪ Limited market share reduces NIBC's ability to influence pricing, with a possible negative impact on net interest margin and net fee income; ▪ Dependency on cross-currency swaps.

OPPORTUNITIES	THREATS
▪ Strong support from ownership for focused growth strategy; ▪ Driving further growth in selected asset classes;	▪ Uncertainty regarding both geopolitical developments and global economic developments; ▪ Continuous pressure of developing regulatory requirements, which are more geared towards large institutions, influences the license to operate.

Performance evaluation



PERFORMANCE SUMMARY

- NIBC reports a solid net profit over 2024 as net profit attributable to shareholders amounts to EUR 199 million (2023: EUR 204 million), including a non-recurring gain of EUR 23 million net of tax (2023: a gain of EUR 7 million).
- Net interest income decreased to EUR 439 million (2023: EUR 463 million). Excluding non-recurring items, net interest income is EUR 433 million, mainly driven by growth of NIBC's core portfolios, on average lower funding spread over 2024, offset by a further decrease of the non-core loan portfolio and divestments of our Shipping portfolio and Platform companies.
- Fee income decreased marginally in 2024 due to the sale of our non-core CLO platform in 2023.
- Operating expenses decreased by EUR 6 million to EUR 231 million (2023: EUR 237 million) where higher personnel expenses are more than offset by lower regulatory charges and levies.
- Credit losses are 19% lower compared to moderate level of 2023 (2023: EUR 25 million) mainly driven by a release due to the sale of the Shipping portfolio. Excluding non-recurring items, credit losses remained stable at EUR 26 million (2023: EUR 26 million).
- Please refer to note 1 for the income statement per segment.

Income statement

in EUR millions	2024	ex. non-recurring 2024	2023	ex. non-recurring 2023	2024 vs. 2023	ex. non-recurring 2024 vs. 2023
Net interest income	439	433	463	463	(5%)	(6%)
Fee income	38	38	41	41	(7%)	(7%)
Investment income	1	1	(2)	(2)	>100%	>100%
Other income	39	34	43	43	(11%)	(20%)
Operating income	**517**	**506**	**545**	**544**	**(5%)**	**(7%)**
Personnel expenses	112	110	107	107	5%	3%
Other operating expenses	108	107	108	108	0%	(1%)
Depreciation and amortisation	4	4	4	4	(3%)	(3%)
Regulatory charges and levies	8	8	19	19	(59%)	(59%)
Operating expenses	**231**	**229**	**237**	**237**	**(2%)**	**(4%)**
Net operating income	**286**	**277**	**308**	**307**	**(7%)**	**(10%)**
Credit loss expense	20	26	25	26	(19%)	0%
Gains or (losses) on disposal of assets	12	-	7	-	77%	0%
Income tax	69	65	73	71	(5%)	(8%)
Profit after tax	**208**	**185**	**216**	**210**	**(4%)**	**(12%)**
Profit attributable to non-controlling shareholders	9	9	12	12	(22%)	(22%)
Profit after tax attributable to shareholders of the company	**199**	**176**	**204**	**198**	**(3%)**	**(11%)**
Return on equity	**11.0%**	**9.8%**	**10.7%**	**10.3%**		

Financial performance

GENERAL DEVELOPMENTS

The year 2024 continued to be characterised by ongoing uncertainty regarding geopolitical and global economic developments. Inflation in the eurozone decreased significantly in 2024 compared to the high levels of 2022/2023. In the eurozone, monthly inflation in 2024 was in a range of 2.0%-2.8% whilst the level in the Netherlands was higher at 2.7-3.8%. Based on these developments, the ECB decreased its key interest rates in 4 steps in 2024 by a total of 100 basis points, leading to a deposit facility rate of 3.00% at the end of 2024. The inflation levels are accompanied by slightly increased (compared to 2023) but still low economic (GDP) growth of below 1% in the eurozone and in the Netherlands.

NON-RECURRING ITEMS

The non-recurring items in 2024 consist of the one-off results including incurred costs related to the sale of the Shipping portfolio in Q2 2024, the equipment leasing business Beequip and the automotive lending business yesqar (both in Q4 2024), as well as the costs related to the legal merger as per 1 January 2025 between NIBC Bank N.V. (as acquiring entity) and NIBC Holding N.V. (as disappearing entity). The non-recurring items do not include income and expenses generated by the sold activities during the normal course of business in 2024. The non-recurring items amount to a gain of EUR 23 million net of tax.

DIVESTMENTS IN 2024

In the first half of 2024 NIBC successfully sold its lending portfolio in the Shipping sector to Hamburg Commercial Bank. The transaction allowed NIBC to sharpen its focus, further de-risk the balance sheet and provide a strong setting for further growth of the successful Shipping franchise under new ownership. The transaction was closed in Q2 2024 and led to a decrease of NIBC's loan exposure by EUR 0.9 billion.

In the first half of 2024, a decision was made, in line with NIBC's strategic focus, to investigate the strategic options for our platform companies Beequip (the largest provider of lease financing for (used) equipment in the Netherlands) and yesqar (an alternative financier to the automotive sector).

On 4 September 2024, NIBC reached agreement on the sale of 100% of the shares in Beequip B.V. to funds managed by affiliates of Apollo Global Management, which transaction was subsequently closed on 27 November 2024. On 3 December 2024, a transaction to sell 100% of the shares in yesqar to DFM N.V. was closed.

The contribution of the Shipping portfolio and the two platform companies to the net result of NIBC Holding N.V. in 2024 until the date that NIBC divested the portfolio respectively lost control amounts to EUR 41 million.

The total after-tax transaction result of these three transactions amounts to EUR 24 million.

OPERATING INCOME

Recurring net interest income decreased in 2024 by 6% from EUR 463 million to EUR 433 million. This is mainly a result of the following developments:

- Increased volume of most of NIBC's core portfolios compared to 2023 (owner-occupied mortgage loans (+5%), Infrastructure (+15%) and Real Estate (+8%)).
- The average funding spread continued to decrease in H1 2024 to 10 basis points (2023: 18 basis points), to increase thereafter to 21 basis points by the end of 2024. The increase of the funding spread in the second half of 2024 mainly relates to the impact of the decrease in market rates in this period on retail savings spreads. On average over the year the funding spread in 2024 was below that of 2023, positively contributing to net margin income in 2024 compared to 2023.
- The developments above were more than offset by the continued decrease of the volume of the non-core loan portfolio (including platforms) by EUR 3.1 billion in 2024 and to a lesser extent margin compression in the residential mortgage portfolio.
- The developments led to a net interest margin of 1.92% in 2024, a decrease compared to 2.06% in 2023.

The decrease of fee income from EUR 41 million in 2023 to 38 million in 2024 mainly relates to the sale of the CLO platform in 2023. Fee income from the Originate-to-Manage mortgage business remained relatively stable in 2024 compared to 2023.

Investment income improved compared to 2023 and relates to remaining equity investments in the non-core portfolio. The sale of our equity investment activities in 2023 has significantly reduced the investment portfolio.

Other Income contains realised and unrealised fair value results, income from operating leases and revaluation results of our investment property (own office building available for rent).

Volatile income

Volatility in financial markets, especially with regards to interest rates, also causes volatility in the income statement, specifically related to items recognised within other income. To illustrate the impact of these items, which do not directly reflect client-related activities, these are separately grouped as volatile income. Items included are hedge accounting and specific positions recognised and measured at fair value through profit or loss and currency revaluation.

- Hedge accounting
  Given the volatility in interest rates, the residual result after application of hedge accounting can also be volatile. For the reporting period, the impact is a gain of EUR 24 million (2023: a gain of EUR 33 million) recognised in other income.
- Currency revaluation and impact of basis spreads on cross currency interest rate swaps
  The use of cross currency interest rate swaps, recognised at fair value through profit or loss, leads to volatility in the income statement, as the fair value of these instruments is impacted by movements of the basis spread between currencies. The limited currency positions, managed within narrow limits, can still generate some additional result, recognised in other income. Together, these items led to gain of EUR 2 million (2023: a gain of EUR 2 million).

OPERATING EXPENSES

Operating expenses decreased by 2% in 2024 to EUR 231 million (2023: EUR 237 million). This mainly reflects higher personnel expenses by 5% more than compensated by lower regulatory charges and levies. The higher personnel expenses reflect wage increases and elevated severance payments due to the sale of the Shipping portfolio and changes within the Managing Board. The lower regulatory charges are driven by the European resolution fund reaching its targeted level by the end of 2023 resulting in no resolution levies for 2024.

In 2024 NIBC's total FTE decreased to 597 (2023: 695 FTE), fully driven by the sale of the companies Beequip and yesqar and FTE related to the sale of the Bank's Shipping portfolio.

CREDIT LOSS EXPENSE

In 2024, credit losses decreased to EUR 20 million (2023: EUR 25 million). Credit losses excluding non-recurring items remained stable at a level of EUR 26 million. Higher credit losses on lease receivables (Beequip) are compensated by credit loss expense releases in the residential mortgage portfolio and lower credit losses (on a net basis) on corporate loans.

NIBC continues to apply a management overlay to reflect increased uncertainties and risks not sufficiently covered in its ECL models. The total management overlay amounts to EUR 19 million as of 31 December 2024 (2023: EUR 19 million).

For more background regarding coverage ratios, credit loss expenses and the management overlay, please refer to the Credit Risk section.

TAX

Income tax in 2024 decreased by 5% roughly in line with the decrease of profit before tax (-4%). Income tax in 2024 included a one-off gain of EUR 5 million related to the release of a tax provision on activities in the past. Nevertheless, the effective tax rate for 2024 was 24.9%, roughly the same level as in 2023 (25.2%) and close to the general Dutch corporate income tax rate of 25.8%, also impacted by (non-deductible) interest expenses due to minimum capital rule requirements, (non-taxable) transaction revenues minus (non-deductible) costs related to the sold platform companies and non-taxable investment income.

DIVIDEND

In 2024, NIBC already distributed EUR 0.37 per share (EUR 54 million) as interim dividend. Additionally, a dividend of EUR 116 million or EUR 0.79 per share was paid out to shareholders related to the capital release from the sale of the Shipping portfolio in June 2024. The capital release was based on the estimated RWA reduction under Basel IV (CRR III) and the new model landscape. This last dividend payment was made fully from retained earnings.

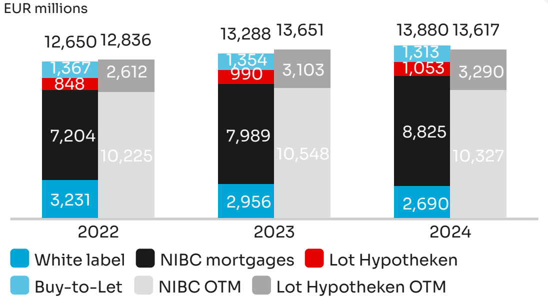
Considering the merger that was executed on 1 January 2025, in which NIBC Bank N.V. merged with its parent NIBC Holding N.V., with NIBC Bank N.V. as surviving entity, the Managing Board proposes to add EUR 145 million of net profit to retained earnings within other reserves. This reflects the remaining net profit of 2024 of EUR 199 million after deducting EUR 54 million paid out as interim dividend in 2024.

PERFORMANCE MORTGAGES

- In 2024, the Dutch mortgage market showed growth that was mainly driven by more transactions and increased prices in the housing market.
- Our mortgage portfolio increased to EUR 27.5 billion (2023: 26.9 billion) mainly due to owner occupied mortgage loans (within our labels NIBC and Lot).
  In 2024, mortgages for employees in vital sectors (the 'Mortgage for Hero's) was successfully introduced and the execution only loan for sustainability purposes was launched.
- Majority of the customers are opting for 10 years interest fixed period while the portfolio of Originate-to-Manage predominantly consists of 20 years or longer interest fixed periods. Therefore we experience a lower growth rate in our Originate-to-Manage portfolio. However, volumes remained relatively stable to EUR 13.6 billion (2023: EUR 13.7 billion).
- The Buy-to-Let market activity was subdued as the demand for financing is limited due to a combination of fiscal measures and other regulations (for instance new regulation 'Wet betaalbare huur'). However, the Buy-to-Let portfolio remained relatively stable mainly due to limited prepayments in 2024.
- In 2024, there is a credit loss recovery of EUR 3 million (2023: credit loss expense EUR 1 million) which is mainly driven by our healthy mortgage portfolio, better performance and proactive risk management resulting in lower losses and more recoveries.
- During 2024, NIBC won the 'Gouden Lotus Award' as best mid-size mortgage provider and our label Lot Hypotheken won in the category source data.
- Customer satisfaction remained high, as mortgages customers rate NIBC's services at 8.3 out of 10 (2023: 8.3).

Mortgage Loan portfolio development

In EUR millions



LTV Owner occupied

in % (NL only)

55%

2023: 59% 2022: 55%

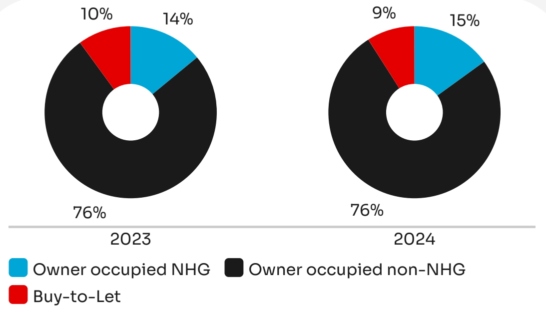
LTV Buy-to-Let

in %

51%

2023: 56% 2022: 53%

Mortgage Loan portfolio per product type



NIBC customer survey score

Mortgages

8.3

2023: 8.3 2022: 8.3

Net profit

in EUR millions

56

2023: 55 2022: 71

Mortgages growth (incl. OTM)

in %

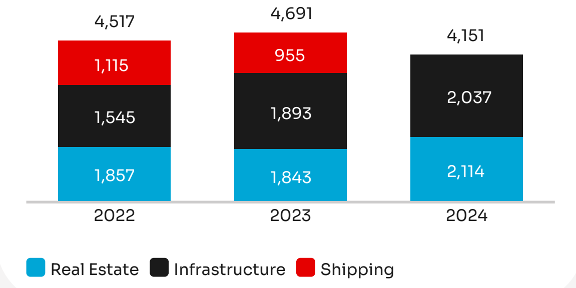
2%

2023: 6% 2022: 15%

PERFORMANCE ASSET BASED FINANCE

- The Asset Based Finance portfolio -excluding the divested Shipping portfolio- grew in 2024 by 11% to EUR 4.2 billion (2023: EUR 3.7 billion).
- Overall, the Asset Based Finance team has been successful in originating EUR 1.3 billion in 2024, which resulted in a net growth of the core portfolio.
- While commercial real estate markets remain challenging and competitive, the Real Estate portfolio increased by 15% in 2024. This growth was supported by an origination strategy focusing on domestic residential investment loans and European residential real estate projects.
- After strong growth in 2023, the financing landscape in digital infrastructure markets has become more competitive, nevertheless we report an 8% growth of the portfolio in 2024. The focus is directed towards data centers, of which the share increased from 29% to 33% in 2024.
- Besides successfully growing the portfolio, the credit quality of the portfolio remained stable. The weighted average credit rating of the portfolio improved somewhat. The credit losses in Asset Based Finance were EUR 0 million in 2024 (2023: EUR 0 million) including a release of expected credit loss provision related to the divestment of the Shipping portfolio.
- The Net Promoter Score (**NPS**) remained strong with a score of +70% (2023: +87%), illustrating our valuable client relationships.
- We engage with our clients on their sustainability transition and our role as facilitator in that process. As discussed in the Sustainability Statement , we gather data required to measure and report on the sustainability of our clients' assets that we finance, allowing us to monitor and steer these developments.

Asset Based Finance portfolio development



Real Estate growth

in %

15%

2023: -1% 2022: 22%

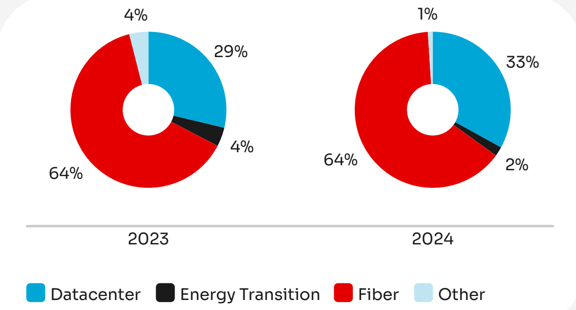
Infrastructure growth

in %

8%

2023: 22% 2022: 30%

Infrastructure portfolio per subsector split



Asset Based Finance growth

in %, (exc. Shipping)

11%

2023: 10% 2022: 25%

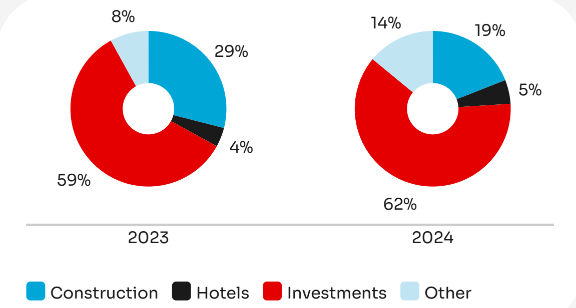
Net profit

in EUR millions

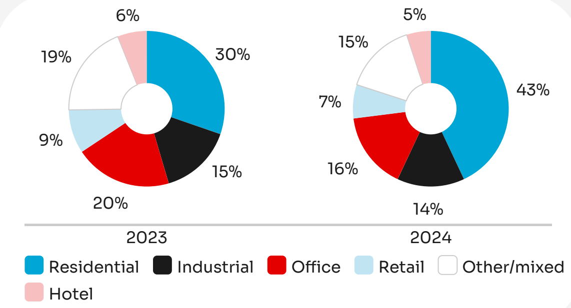
49

2023: 40 2022: 39

Real Estate portfolio per subsector split



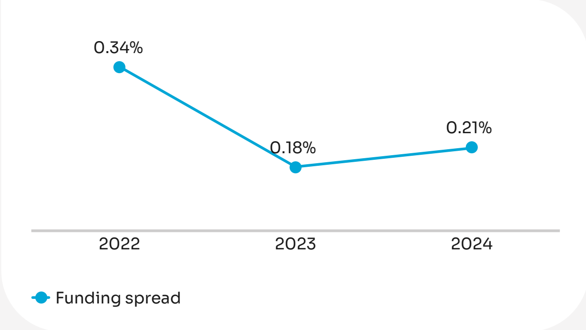
Real Estate portfolio per asset type split



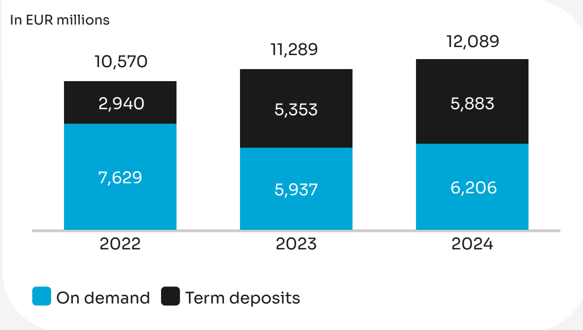
PERFORMANCE TREASURY & GROUP FUNCTIONS

- Treasury mainly earns net interest income based on the difference between the cost of funds on NIBC Bank's external funding (including retail funding, wholesale funding and hedging) and the internal cost of funds charged to the other segments, based on the matched funding principle. Internal fund transfer prices are based on the external funding costs plus various funding related expenses, such as costs related to the required liquidity buffers. Treasury also earns net interest income related to the management of non-interest bearing liabilities.
- The spread on funding increased slightly to 21 bps by the end of 2024 (2023: 18 bps) mainly due to higher funding costs for retail savings as retail rates were yet to respond to falling market rates. The average funding spread over 2024, however, was below the level of 2023.
- The increase in funding volumes is mainly the result of the large inflow from retail deposits, 91% of which are covered by the deposit guarantee scheme. This increase is partly balanced by the outflow in senior unsecured funding. Since 2022 we have seen an increase in the percentage mix of term deposits versus on demand savings.
- The unsecured funding also includes EUR 224 million of corporate deposits (2023: EUR 350 million).
- Wholesale funding issuance was limited in 2024 because of the high levels of liquidity, following the sale of our Shipping business and our Beequip and yesqar platforms. NIBC successfully issued EUR 200 million AT1 securities as well as EUR 200 million Tier 2 notes to contribute to the optimisation of its Tier 1 and Tier 2 capital components.

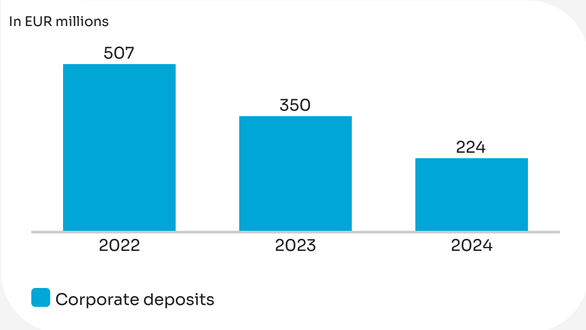
Funding spread



Retail savings



Corporate deposits



Net profit

in EUR millions

62

2023: 91 2022: 18

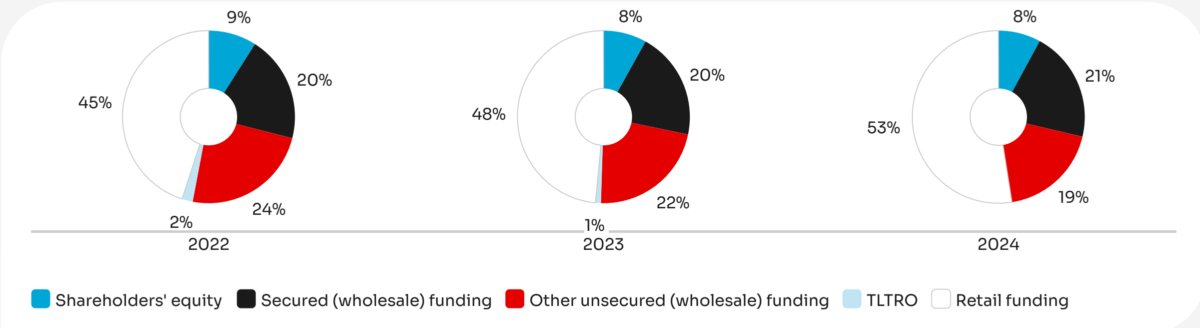
Retail savings growth

in %

7%

2023: 7% 2022: 4%

Funding composition



DEVELOPMENT OF THE FINANCIAL POSITION

- Our liquidity position further strengthened mainly as a result of our divestments, growth in retail funding, and issuance of Tier 2 notes.
- The decline in loans and lease receivables reflect the divestments of our Shipping portfolio and Platform companies. These divestments have been partially compensated by growth of our core asset-based lending activities for Real Estate and Infrastructure (increase of EUR 0.5 billion). The decline in loans is also driven by the continued reduction of the Non-Core activities which as a result decreased by EUR 0.2 billion.
- Mortgage loans increased due to an increase of EUR 0.6 billion in the underlying exposure driven by owner occupied mortgages while the Buy-to-Let market is still showing contraction.
- Our funding composition changed where all other senior funding decreased with EUR 1.2 billion (including a repayment of EUR 0.3 billion on our TLTRO funding) partially substituted by an increase of EUR 0.9 billion within Retail funding.
- Tier 1 and subordinated funding increased mainly due to the issuance of EUR 200 million Tier 2 notes in December 2024 to further optimize our capital base and regulatory buffers of loss absorbing instruments.
- Equity decreased mainly due to the pay out of dividends over the period 2023/2024 partly offset by the net result of 2024.

Assets

in EUR millions	2024	2023	2022
Cash and banks	3,694	2,545	2,948
Loans	4,191	5,042	5,164
Lease receivables	1	1,281	1,090
Mortgage loans	13,622	12,911	11,990
Debt investments	1,186	908	876
Equity investments	115	124	166
Derivatives	83	156	162
Assets held for sale	-	-	202
All other assets	60	210	209
Total assets	**22,951**	**23,177**	**22,807**

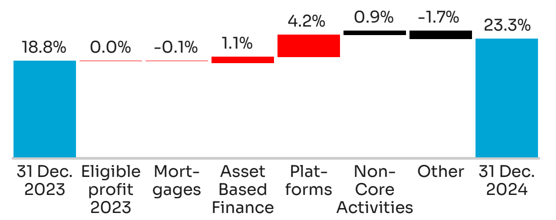
Liabilities and equity

in EUR millions	2024	2023	2022
Retail funding	12,075	11,148	10,310
Funding from securitised mortgage loans	-	-	221
Covered bonds	4,529	4,529	4,016
All other senior funding	3,688	4,873	5,534
Tier 1 and subordinated funding	442	224	202
Derivatives	104	129	232
All other liabilities	109	122	128
Total liabilities	**20,948**	**21,025**	**20,643**
Equity attributable to shareholders of the company	1,803	1,952	1,964
Capital securities (non-controlling interest)	200	200	200
Total liabilities and equity	**22,951**	**23,177**	**22,807**

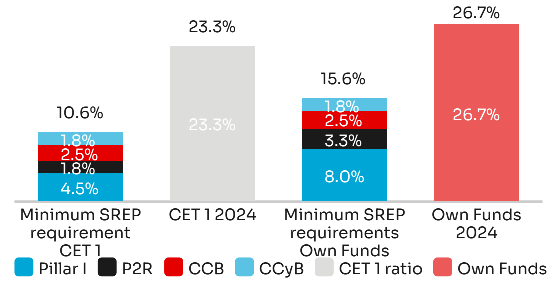
SOLVENCY AND LIQUIDITY

- NIBC has a strong capital position reflected in the CET 1 ratio of 23.3%.
- Growth in our mortgage portfolio led to an increase in RWA and consequently to a 0.1%- point decrease of the CET 1 ratio.
- Sale of the Shipping portfolio to Hamburg Commercial Bank led to an decrease of RWA in Asset Based Finance and consequently to a 1.2%- point increase of the CET 1 ratio partly offset by the development of the asset classes Real Estate and Infrastructure.
- Sale of the platform companies Beequip and yesqar led to a decrease in RWA and consequently to a 4.2%- point increase of the CET 1 ratio.
- Further reduction of the Non-Core Activities contributed to an increase of 0.9%- point in the CET 1 ratio.
- An additional dividend payment following the significant reduction of risk weighted assets (**RWA**) due to the sale of the Shipping portfolio has led to a decrease of 1.3%- point in the CET 1 ratio (included in category "Other").
- NIBC actively manages its liquidity position, keeping its solid liquidity buffers in place. This is evidenced by a strong liquidity coverage ratio (**LCR**) at 334% and a solid net stable funding ratio (**NSFR**) of 144%.
- The Loan-to-Deposit ratio improved to 143% (2023: 163%) following the strong growth of our savings in 2024 and the decline in our loan portfolio.

CET 1 development



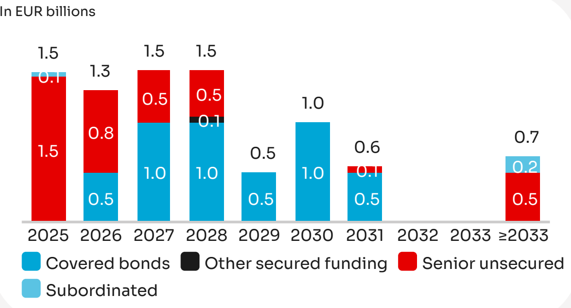
Capital ratios compared to SREP requirements



Credit risk per exposure class

Exposures including Credit Conversion Factor in accordance with CRR	2024 Exposure	RWA	Average risk weight	2023 Exposure	RWA	Average risk weight
Corporate exposures	4,778	2,130	45%	7,225	4,309	60%
Mortgage loans	14,421	3,079	21%	13,555	3,032	22%
Institutions	859	152	18%	691	126	18%
Equity	118	438	370%	132	487	370%
Securitisation	706	115	16%	603	114	19%
Other including corporate derivatives	244	158	65%	420	303	72%
Central Government	3,243	0	0%	2,083	0	0%
Total	**24,370**	**6,073**	**25%**	**24,709**	**8,371**	**34%**

Maturing wholesale funding



Liquidity ratios

	2024	2023	2022
LCR	334%	243%	207%
NSFR	144%	132%	131%
Loan-to-deposit ratio[1]	143%	163%	163%
Asset encumbrance ratio	26%	27%	26%
Retail savings/total funding	53%	48%	45%
Secured funding/total funding	21%	22%	22%

1 Item is Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.

Capital adequacy

GENERAL DEVELOPMENTS

Starting point for the developments discussed below is the reported regulatory capital position of NIBC Holding consolidated per 31 December 2024, i.e. CET1 capital of EUR 1,631 million, RWA of EUR 6,991 million and a CET1 ratio of 23.3%.

Merger between NIBC Holding and NIBC Bank

In 2024, NIBC prepared the legal merger between NIBC Bank N.V. as acquiring entity and NIBC Holding N.V. as disappearing company. This merger was executed per 1 January 2025. The merger helps to further streamline the organisation and remove inefficiencies in the capital structure. The impact of the simplification of its group structure compared to the ratios reported per 31 December 2024 equals an increase of 1.3%-point on NIBC Holding's Tier 1 ratio and 2.4%-point on its fully loaded Total capital ratio.

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 bring all corporate exposures under the Standardised Approach (**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.

The impact of the Basel IV implementation, 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.

OTHER DEVELOPMENTS

In July NIBC issued EUR 200 million of Additional Tier 1 securities with a perpetual maturity and a first call after 5.5 years. This transaction was combined with the repurchase of EUR 155.8 million of the existing EUR 200 million Additional Tier 1 securities via a tender. The remaining portion was called in October 2024. Additionally, in December 2024, NIBC issued EUR 200 million of Tier 2 notes with a 10.5 year maturity and a call date after 5.5 years. The primary purpose of the issuance in 2024 of the Additional Tier 1 securities and the Tier 2 notes is to contribute to the optimisation of the Tier 1 and Tier 2 capital buckets in NIBC's capital base.

SREP requirements

Our actual solvency levels are well above the minimum required levels as set by DNB in the *Supervisory Review and Evaluation Process* (**SREP**).

	31 December 2024			31 December 2023		
	CET 1	Tier 1	Total capital	CET 1	Tier 1	Total capital
Pillar I	4.5%	6.0%	8.0%	4.5%	6.0%	8.0%
Pillar II	1.8%	2.4%	3.3%	2.1%	2.8%	3.7%
Subtotal	**6.3%**	**8.4%**	**11.3%**	**6.6%**	**8.8%**	**11.7%**
Capital Conservation Buffer (CCB)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Countercyclical Capital Buffer (CCyB)[1]	1.8%	1.8%	1.8%	1.1%	1.1%	1.1%
SREP requirement	**10.6%**	**12.7%**	**15.6%**	**10.1%**	**12.3%**	**15.3%**
Pillar II guidance	*not disclosed*			*not disclosed*		
Actual						
NIBC Holding transition[2]	23.3%	24.8%	27.4%	18.8%	20.1%	21.2%
NIBC Holding fully loaded[2]	23.3%	24.8%	26.7%	18.8%	20.1%	20.6%

	31 December 2024			31 December 2023		
	CET 1	Tier 1	Total capital	CET 1	Tier 1	Total capital
Fully loaded capital (in EUR millions)	1,631	1,737	1,866	1,756	1,877	1,920
Risk-weighted assets	6,991	6,991	6,991	9,319	9,319	9,319

1 Presented figure is a weighted average of all current CCyB rates per 31 December 2024 and does not incorporate announced but not yet applicable rates.
2 Capital ratios under CRR II.

RESOLUTION

In case of a bank's failure, resolution authorities need to determine whether resolution objectives are best achieved by winding down of a bank under normal insolvency procedures or by resolution action as regulated by Directive 2014/59/EU. As resolution authority for NIBC, DNB has determined that NIBC Bank is expected to be wound down through normal insolvency proceedings as opposed to undergoing a resolution action. The total risk exposure amount-based minimum requirement for own funds and eligible liabilities (**MREL**) for NIBC Bank accordingly is equal to its SREP requirement (excluding buffer requirements and Pillar II guidance).

DIVIDEND

The maximum distributable amount (**MDA**) is determined by comparing actual solvency levels to the minimum SREP requirements (excluding Pillar II guidance). Solvency ratios have to exceed the SREP requirements to allow distribution of dividends.
The CET 1 ratio level below which distributions in the form of dividend payments, variable remuneration and distributions to holders of AT1 instrument (**MDA Trigger Level**) are restricted is 11.5%. The distance to the MDA Trigger Level is 11.8%. The present ratios provide sufficient room to execute NIBC's dividend policy and allow for AT1 distributions.

Capital management (audited)

OVERVIEW

It is NIBC's policy to maintain a strong capital base, to meet regulatory capital requirements at all times and to support the development of its business by allocating capital efficiently. Capital is allocated to the business based on projected growth in combination with Regulatory Capital (**RC**) and Economic Capital (**EC**) consumption. EC is the amount of capital which NIBC allocates as a buffer against potential losses from business activities, based upon its assessment of risks. For Pillar I risk classes the EC figures are based on the regulatory capital calculations. For Pillar II risk classes, internally developed models are used. Tier 1 capital is allocated within the minimum capital ratios imposed by DNB. Total capital is allocated up to a buffer defined in NIBC's risk appetite framework. In practice this is done by establishing RWA and EC limits for the business.

Comparing the risk-based EC of each business to its profit delivers a risk-adjusted return on capital (**RAROC**) for that business. EC and RAROC are key tools in NIBC's capital allocation and usage process, allocating regulatory capital based on expectations of both risks and return. Usage of EC is assessed quarterly and reported to the Asset & Liability Committee (**ALCO**). The ALCO may adjust the EC allocation to and within each business, based on business expectations, NIBC's desired risk profile and regulatory requirements.

CAPITAL ALLOCATION

NIBC allocates EC to all its business activities in the form of limits set by the ALCO and calculates the amount of EC usage of each business based on the risk of its activities:

- For the Corporate Loan portfolio, NIBC calculates EC usage by means of a credit risk approach largely based upon the CRR RC formula. Capital add-ons are applied for credit concentration risk of corporate exposures and for fair value risk of Debt Investments;
- For the Mortgage Loan portfolio, NIBC calculates EC usage by means of a credit risk approach largely based upon the CRR RC formula. EC for IRRBB of prepayment and pipeline risk is factored in as well;
- For its Trading portfolios and the interest rate mismatch position, NIBC uses a market risk approach to determine EC usage. EC usage for these portfolios is based on VaR, calculated with historical data and scaled to a one-year horizon; and
- NIBC uses fixed percentages for the equity investments.

CRR/CRD REGULATORY CAPITAL

The objective of CRR/CRD is to enhance the capital adequacy of the banking industry by making it more responsive to risk. CRR/CRD is structured on three pillars:

- Pillar I describes the capital adequacy requirements for three risk types, i.e. credit risk, market risk and operational risk, and *Credit Value Adjustment* (**CVA**);
- Pillar II describes the additional *Supervisory Review and Evaluation Process* (**SREP**), where regulators analyse the *Internal Capital Adequacy Assessment Process* (**ICAAP**) of the individual banks. DNB also analyses the *Internal Liquidity Adequacy Assessment Process* (**ILAAP**);
- Pillar III describes the required risk disclosure standards, supporting additional market discipline in the international capital markets.

Under CRR/CRD and subject to approval from the regulator, banks have the option to choose between various regulatory approaches, each with a different level of sophistication in risk management, ranging from 'standardised' to 'advanced'.

- For credit risk, NIBC adopted the AIRB approach as further specified in CRR/CRD for its main retail and corporate exposure classes. NIBC started using the AIRB approach on 1 January 2008. Other exposures are measured using the standardised approach;
- For market risk, NIBC adopted an internal model VaR approach; and
- For measuring operational risk, NIBC adopted the standardised approach, which is based on prescribed business-line activities.

The basis for Pillar II is NIBC's ICAAP, which is NIBC's self-assessment of risks not captured by Pillar I, i.e. the link between NIBC's risk profile, its risk management and risk mitigation, and NIBC's capital planning.

Under Pillar III, NIBC publishes its regulatory disclosures regarding its capital structure, capital adequacy, liquidity risk, risk management objectives/policies and RWAs each year. The Pillar III disclosures are published on our website following the publication of the Annual Report.

The following table displays the composition of regulatory capital as at 31 December 2024 and 31 December 2023. The regulatory capital is based on the CRR/CRD scope of consolidation, calculated for NIBC consolidated on a fully loaded base including the eligible profit after tax of the year. For 2024 (and 2023), no profit after tax is included in the CET 1.

As illustrated in the table in the previous section, NIBC meets its capital requirements under the CRR II / CRD V regulation as per 31 December 2024.

in EUR millions	2024	2023
Equity attributable to the shareholders	1,803	1,952
Profit after tax not included in CET 1 capital	(208)	(216)
Regulatory adjustments	36	20
Common equity Tier 1 capital	**1,631**	**1,756**
Capital securities	200	200
Regulatory adjustments	(94)	(78)
Tier 1 capital	**1,737**	**1,878**
Qualifying subordinated liabilities	206	62
Regulatory adjustments	(77)	7
Total Tier 2 capital	**129**	**69**
Total capital	**1,866**	**1,947**

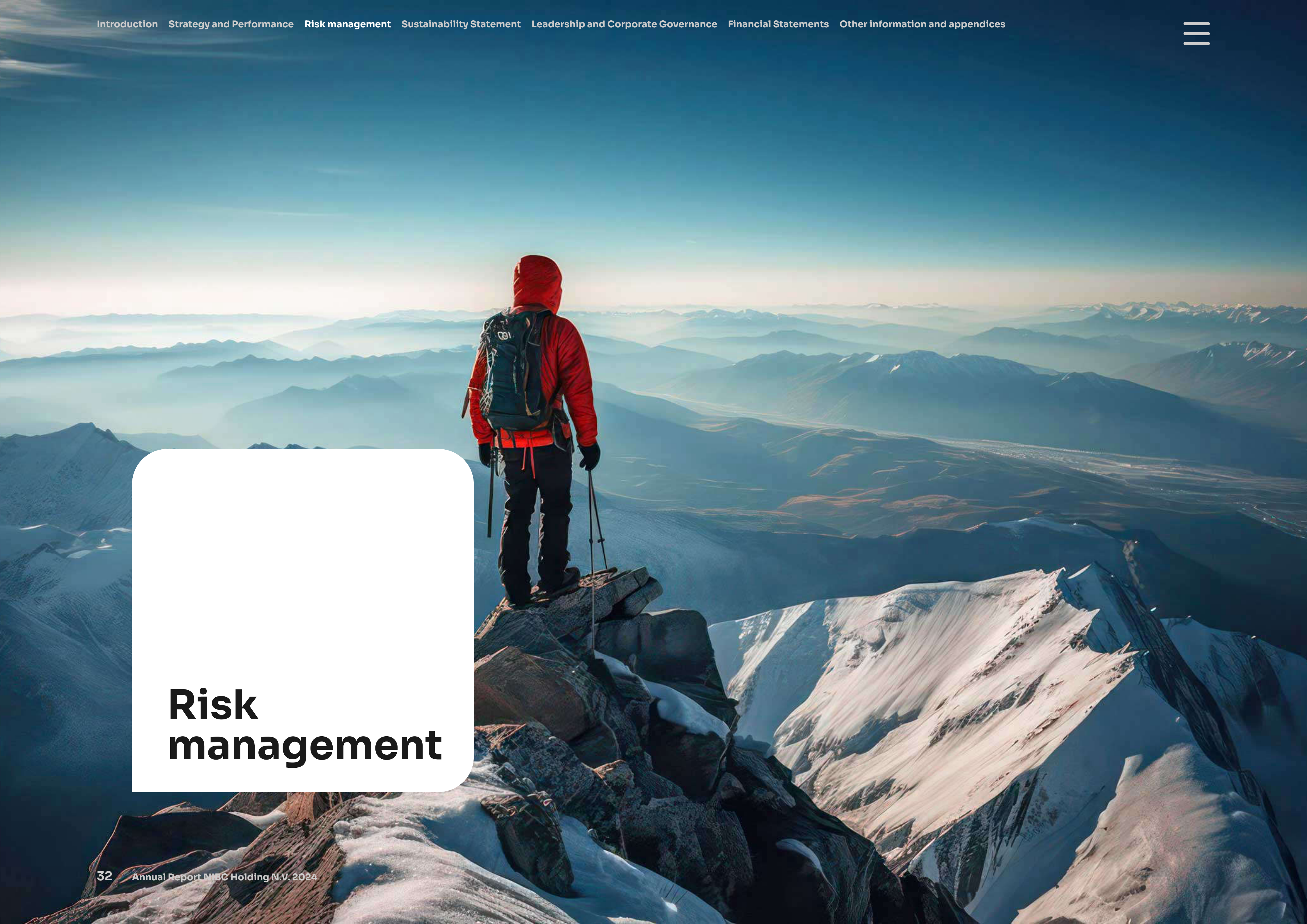
EVALUATION OF STRATEGIC PRIORITIES

In the following table, we measure NIBC's performance against our strategic priorities.

STRATEGIC PRIORITIES	PERFORMANCE
GROWING OUR CORE CLIENT OFFERING	+ Owner-occupied mortgage exposure increased by over 5%. +/- Following a year of strong growth, the OTM mortgage portfolio remained stable as origination levels decreased. + Further growth of our Real Estate (+15%) and Infrastructure (+8%) asset classes, on the back of EUR 1.3 billion origination. + Continued growth of NIBC's retail savings franchise as our On demand savings and Term deposits increased with 4% and 9% respectively, in 2024. +/+ Strong client reviews, with an NPS score from our corporate clients at +70% (2023: +87%), a stable customer satisfaction survey score for NIBC's mortgages offering of 8.3 (2023: 8.3) and a slightly improved savings clients score of 8.1 (2023: 8.0).
EXECUTION ON REDUCTION OF NON-CORE PORTFOLIOS AND ACTIVITIES	+/+ Successful sale of NIBC's Shipping portfolio and the platform companies Beequip and yesqar, allowing NIBC to concentrate efforts and focus on core sectors and providing the sold activities with new growth opportunities under new ownership. +/+ other non-core portfolios further reduced from EUR 1.5 billion to EUR 1.1 billion (-24%).
DIVERSIFICATION OF INCOME	+/- Relative contribution of different line items in operating income remained stable in 2024, as both Net interest income and Fee income decreased due to exits of activities and reduction of non-core portfolios.
ONGOING INVESTMENT IN PEOPLE, CULTURE AND INNOVATION	+ On average, employees use 68 hours for training, development and educational programmes. + In 2024 we continued our successful internal training programmes for junior and medior staff. + We have invested in training staff on the (responsible) use of generative artificial intelligence tooling, with current coverage at 75% of total staff. + NIBC continues to invest in innovation through both structural improvements in its data and system landscape and through specific data and AI use cases. +/- The war for talent is a continuous challenge, also for NIBC. Combined with the high number of (regulatory) projects, this continues to put pressure on the organisation.
FURTHER OPTIMISATION CAPITAL AND DIVERSIFICATION OF FUNDING	+/+ Strong CET 1 ratio of 23.3%, providing sufficient headroom to absorb upcoming regulatory changes. +/+ Issuance of EUR 200 million of Additional Tier 1 securities and EUR 200 million of Tier 2 notes to further optimise our capital base and (regulatory required) buffers of loss absorbing instruments. + NIBC has been able to manage its funding composition such that the increase of its funding spread remained limited (from 18 basis points at the end of 2023 to 21 basis points by the end of 2024). On average throughout the year, the funding spread was below the average level of 2023. This was mainly due to the positive contribution of retail funding. + Strong liquidity position with an LCR ratio at 334% and an NSFR at 144%. +The average rating of our senior preferred of BBB+ further strengthened in 2024 following the rating upgrades received from Fitch (to A-) and Moody's (to A2) in the second quarter of 2024.

GOING CONCERN STATEMENT

The Managing Board and Supervisory Board have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections show that the Group has sufficient financial resources (i.e. liquidity buffers) for at least the coming 12 months. As the Managing Board and Supervisory Board are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern they have adopted the going concern basis in preparing these consolidated financial statements.



Risk management

In line with its business strategy, NIBC is predominantly exposed to credit risk , while NIBC manages its interest rate, 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 so that we can continue to support our clients while maintaining the appropriate balance between risk and reward.

Risk Governance

THREE LINES OF DEFENCE

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. Our second line of defence lies within the Risk, Legal, and Compliance. These departments monitor and evaluate risks versus the risk appetite framework. The second line of defence has an active advisory role in particular towards transactions and proposals. The third line of defence is the Internal Audit department (**IA**). This department provides objective and independent assurance on the operations within the first and second lines of defence.

3 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 is responsible for decision-making with regard to client engagement and conflicts of interest including assessment of the potential integrity risks when engaging with a client.
- Transaction Committee (**TC**) which 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.
- Investment Committee (**IC**) has the delegated authority to decide on equity, mezzanine, subordinated, and other equity related financial products. The IC periodically determines the valuation of our Equity portfolio.
- Risk Management Committee (**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**) monitors and controls capital ratios, liquidity, 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**) which keeps central oversight of the implementation of new regulatory laws and regulations.

For a discussion on compliance, client privacy and data security, anti-fraud and anti-corruption and climate risk please see the Sustainability section of this Annual Report.

RISK APPETITE FRAMEWORK

Our strategy towards risk management is translated into the risk appetite framework. This framework is based on five pillars, which are rolled out throughout the organisation and incorporated in our policies, procedures , limits and action plans. In the past years, NIBC has used these pillars to reposition the bank and adjust the underlying business drivers focusing on smaller ticket sizes and a more granular portfolio.

Our five pillars:

1. Solvency: be a credit-worthy 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 a stable and diverse funding base at all times.
4. Asset quality: aligned with business objectives.
5. Non-financial: to maintain a solid licence to operate.

NIBC continuously monitors and evaluates the effectiveness of this framework and periodically updates this based on developments in our operating context.

Overview of main financial risk types

in EUR millions	Main risk types	2024	2023
Mortgage loans	Credit risk/Interest rate risk	13,880	13,288
Asset Based Finance	Credit risk	4,151	4,691
Platforms - Leases/Loans	Credit risk	-	1,784
Non-Core Activities - Loans/Leases	Credit risk	856	1,183
Non-Core Activities - Equity investments	Investment risk	118	132
Debt investments		**1,185**	**907**
Debt from financial institutions and corporate entities	Credit risk/Market risk	499	328
Securitisations	Credit risk/Market risk	686	579
Cash management	Credit risk	3,621	2,441
Derivatives[1]	Credit risk/Market risk	204	262
Funding	Liquidity risk	22,951	23,177
Total capital (based on full implementation of CRR)	Capital Adequacy risk	1,866	1,947

1 Exposure is based on a combination of netting and positive replacement values.

NIBC's risk approach entails that NIBC pursues credit risk, while reducing our investment, interest rate, currency, liquidity and operational risk to a level that is acceptable. For this reason the Risk Management chapter mainly focuses on assessing credit risk. After discussing the financial risks, a separate section will discuss NIBC's management of non-financial risks.

The following sections:

- Credit risk,
- Interest rate risk in the banking book,
- Market risk, and
- Liquidity risk

are an integral part of the Consolidated Annual Financial Statements and are covered by the Audit opinion.

Credit risk (audited)

Credit risk is one of the risks inherent to our business model. By lending to its clients NIBC is exposed to the risk of the counterparty not being able to repay the loan. NIBC continuously monitors its clients' financial performance and takes remedial action if NIBC believes the risk of a client defaulting on its obligation has increased. NIBC mitigates credit risk by placing emphasis on the collateral pledged or mortgaged to it in the transactions. In case a client defaults on its obligation, the option to collect and sell the collateral can be exercised as a last resort, thereby significantly reducing the amount of non-recoverable assets. Non-credit obligations fall under other risk types, such as market risk, and equity is subject to investment risk.
Presented exposures consist of both drawn and undrawn amounts. The Infrastructure portfolio includes a small portion of other core infrastructure assets. Following NIBC's sharpened strategic focus, NIBC's non-core asset classes are grouped into Other Corporate client exposures throughout the credit risk paragraph.
The following positions that contain credit risk have been identified:

- Mortgage loans;
- Corporate/Investment loans;
- Lease receivables;
- Debt Investments;
- Cash Management;
- Derivatives.

Reconciliation between financial position and risk exposure 2024

		31 December 2024			
In EUR millions	note	Mortgage loans	Corporate loans	Lease receivables	Debt investments
Exposure		**13,880**	**5,006**	**1**	**1,185**
Undrawn commitments	40	-	(731)	-	-
Savings value mortgages		123	-	-	-
Gross carrying amount		**14,003**	**4,275**	**1**	**1,185**
Expected Credit Loss including management overlay		(13)	(80)	-	-
Base adjustment (Hedge accounting)		(380)	1	-	-
Other		11	(11)		1
Carrying amount	17/18/19/20/21	**13,622**	**4,187**	**1**	**1,186**

Reconciliation between financial position and risk exposure 2023

		31 December 2023			
In EUR millions	note	Mortgage loans	Corporate loans	Lease receivables	Debt investments
Exposure		**13,288**	**6,252**	**1,405**	**907**
Undrawn commitments	40	-	(1,055)	-	-
Savings value mortgages		129	-	-	-
Operating leases		-	-	(118)	-
Gross carrying amount		**13,417**	**5,197**	**1,287**	**907**
Expected Credit Loss including management overlay		(15)	(135)	(6)	-
Base adjustment (Hedge accounting)		(517)	2	-	-
Other		26	(28)	-	1
Carrying amount	17/18/19/20/21	**12,911**	**5,036**	**1,281**	**908**

Overview of credit quality measures

	2024						2023					
in EUR millions	Mortgages	Asset Based Finance	Platforms	Non-Core Activities	Total exposure	% of Total portfolio	Mortgages	Asset Based Finance	Platforms	Non-Core Activities	Total exposure	% of Total portfolio
Defaulted exposure	125	13	-	131	268	1.4%	110	13	24	210	358	1.7%
Impaired exposure	125	13	-	158	296	1.6%	110	13	24	240	388	1.9%
Non-performing exposure	125	13	-	131	268	1.4%	110	13	24	210	358	1.7%
Forborne exposure	143	52	-	160	355	1.9%	128	22	33	193	375	1.8%

Credit quality measures by asset class

	2024			2023		
in EUR millions	Non-performing exposure	Impaired exposure	Impairment coverage ratio[1]	Non-performing exposure	Impaired exposure	Impairment coverage ratio[1]
Mortgages						
Mortgage loans	120	120	0.7%	107	107	1.8%
Buy-to-Let mortgages	4	4	0.0%	3	3	0.0%
Total mortgage loan exposures	**125**	**125**	**0.7%**	**110**	**110**	**1.7%**
Asset Based Finance						
Real Estate	-	-	0.0%	-	-	0.0%
Infrastructure	13	13	49.5%	13	13	25.2%
Shipping	-	-	0.0%	-	-	0.0%
Total Asset Based Finance	**13**	**13**	**49.5%**	**13**	**13**	**25.2%**
Platforms						
Equipment leasing[2]	-	-	0.0%	24	24	3.2%
Automotive financing	-	-	0.0%	-	-	0.0%
Total Platforms	**-**	**-**	**0.0%**	**24**	**24**	**3.2%**
Non-Core Activities						
Other	130	157	34.8%	203	233	44.4%
Other lease receivables	1	1	1.4%	7	7	35.1%
Total Non-Core Activities	**131**	**158**	**34.6%**	**210**	**240**	**44.1%**
Total exposures	**268**	**296**	**21.0%**	**358**	**388**	**28.9%**

1 Impairment coverage ratio includes IFRS 9 Stage 3 and POCI assets only.
2 Included finance leases only.

Methodology for quantifying credit quality

NIBC applies an internally-developed methodology under the *Advanced Internal Ratings Based* (**AIRB**) approach for quantifying the credit quality of corporate and retail counterparties. The AIRB methodology for Dutch owner-occupied mortgage loans (excluding Buy-to-Let mortgage loans which uses the standardised approach) was updated and following DNB approval, the updated regulatory capital methodology is applied as of the first quarter of 2023. In 2019, NIBC received an increase for RWA 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 is still in place with respect to the current models as we are still in a dialogue with DNB regarding the regulatory capital set-up for corporate loan assets to address their observations. Corporate exposures will move to the *Standardised Approach (**SA**)* for quantifying the credit quality of corporate counterparties in the first part of 2025.

CORPORATE LOAN CREDIT APPROVAL PROCESS

All approvals of individual credit proposals are granted after risk management has made a credit risk assessment and has analysed proposals by taking into consideration, among others, country risk and aggregate limits per industry segment and per individual counterparty. The total one obligor exposure and related exposures are also taken into account. Individual credit and transaction proposals are then approved in the TC or in the case of investment loans in the IC. Proposals, credit reviews and amendments of smaller scale can be approved outside the TC or IC (as the case may be) by risk management. All counterparties and, subsequently, all facilities, are reviewed at least once a year.

CORPORATE CREDIT RATINGS

NIBC uses an internal through-the-cycle Corporate Credit Rating (**CCR**) scale for prudential reporting purposes which consists of 10 grades (1-10) and a total of 22 notches. For the purpose of calculating ECL amounts under IFRS these through-the-cycle CCRs are converted to point-in-time (**PiT**) ratings. The CCRs 9 and 10 are assigned to counterparties that have already defaulted and therefore carry a PD of 100%.

Internal rating description	Internal rating grade from	to	Low PD%	High PD%	Equivalent rating scale of Standard & Poor's from	to
Investment grade	1	4-	0.00%	0.425%	AAA	BBB-
Sub-investment grade	5+	8-	0.425%	100%	BB+	C
Default grade	9	9			D	D
Default grade (bankruptcy filing)	10	10			D	D

RISK MEASUREMENT DUTCH MORTGAGE LOANS

The calculation of PD, LGD and EAD for owner-occupied mortgages is performed by an internally-developed CRR/CRD AIRB model. The PD estimates are dependent on a variety of factors, of which the key factors are debt-to-income and loan-to-value ratios. Other factors include other mortgage loan and borrower characteristics and payment performance information. The PD scale is based on a continuous scale ranging from 0-100%. The validation of these estimates is performed on historical data and is carried out annually. For the PD, the estimates are back-tested against realised defaults and realised losses. In this way, it is ensured that the model functions correctly in a changing economic environment.

RISK GOVERNANCE AND ARREARS MANAGEMENT DUTCH MORTGAGE LOANS

In order to control the credit risk in the origination of residential mortgage loans, an acceptance policy framework was formulated to screen residential mortgage applications. Acceptance depends on the following underwriting criteria:

- Conformity with the Code of Conduct on Mortgage Credits of the Dutch Bankers Association where applicable;
- A check of an applicant's credit history with the Dutch National Credit Register (*Bureau Krediet Registratie* or **BKR**), a central credit agency used by financial institutions in the Netherlands, which records five years of financial commitments and negative credit events;
- Mortgage loans are secured by first-ranking mortgage rights;
- Other criteria, such as type of property, maximum *Loan-To-Market Value* (**LTMV**), maximum *Loan-to-Income* (**LTI**) and minimum *Debt Service Coverage Ratio* (**DSCR**);
- Underwriting criteria for mortgage loans with an NHG guarantee are set in accordance with the general terms and conditions set by the *Stichting Waarborgfonds Eigen Woningen* (**WEW**, Social Housing Guarantee Fund). The WEW

finances itself by a one-off up-front charge to the borrower as a percentage of the principal amount of the mortgage loan. The *Nationale Hypotheekgarantie* (**NHG**) guarantee covers losses on the outstanding principal, accrued unpaid interest, and disposal costs, caused by foreclosure.

In order to control the credit risk in the Dutch Mortgage Loan portfolio, NIBC has established procedures to manage all loan amounts in arrears in-house. This ensures a dedicated team focused on preventing and minimising credit losses. The Special Servicing Mortgages team is responsible for arrears, client retention, foreclosures, collecting remaining debts and visiting clients and the properties that serve as collateral.

The special servicing at NIBC is focused on intensive contact with its mortgage clients and tailor-made solutions. When clients fall into arrears on their payment obligations, NIBC contacts the client. Depending on the outcome of these contacts, a customer-specific approach is formulated on a case-by-case basis. In case of defaults, the Special Servicing team has to submit the file to the Arrears Management Committee for approval of the strategy to be followed. The Arrears Management Committee includes members from Risk Management, Operations, Portfolio Management and the Special Servicing team. NIBC bids for own foreclosed properties at auctions to ensure the proceeds are at arm's length. If needed, NIBC acquires these properties.

NIBC has introduced a programme where vulnerable customers (e.g. those with interest only mortgage loans) that may face potential future financial difficulties are approached pro-actively with the intention of identifying and resolving difficulties before actual arrears arise.

RISK MITIGATION AND COLLATERAL MANAGEMENT DUTCH MORTGAGE LOANS

Credit losses are mitigated by way of the underlying property which is mortgaged as collateral and 14.7% of the Dutch own book portfolio is covered by the NHG program. Savings, life insurance and investment deposits may also serve as additional collateral.

FORBEARANCE AND NON-PERFORMING EXPOSURES

These exposures are governed by a bank-wide Forbearance Policy and Default Policy. NIBC considers a client to be forborne if:

1. NIBC considers the obligor to be in financial difficulties, and
2. NIBC grants a concession to the obligor.

Financial difficulties are defined as a debtor facing or about to face difficulties to meet financial obligations. Concession refers to one of the following (per facility):

- Modification of terms or conditions of a troubled facility to allow sufficient debt service capacity (that would not be granted if the obligor were not in financial difficulties);
- (partial) Refinancing of a troubled facility (that would not be granted without financial difficulties).

With respect to Residential Mortgage Loan portfolio the Client Retention team of the Special Servicing department has the responsibility of assessing the nature and the expected duration of a client's financial distress, and will determine necessity of providing forbearance measures to that client and the conditions that should apply. Forbearance solutions are also submitted to the Arrears Management Committee for further approval. Within the corporate client offering the forbearance process largely follows the credit approval process making use of delegated risk authority as well as submitting proposals to the TC.

An obligor is considered non-performing if one or more of the following criteria are applicable:

- Material exposures are more than 90 days past due;
- The obligor is unlikely to pay its credit obligations in full, without realisation of collateral;
- A performing under probation (which have been previously defaulted) facility is extended additional forbearance measures during its probation period

The first two criteria are the same as the default criteria and therefore a defaulted obligor is always non-performing as well.

Capital Requirements Regulation/Capital Requirements Directive

In line with CRR/CRD regulations, the methodology consists of three elements:

- CCR, reflecting the through-the-cycle PD of the borrower. The default definition is in line with the CRR/CRD definition;
- LGD, defined as an anticipated loss in the event of default and under an economic downturn assumption, which takes into account the presence and the value of collateral;
- EAD, which is the amount that is expected to be outstanding at the moment a counterparty defaults.

The CRR/CRD PDs, LGDs and EADs that are calculated through NIBC's internal models are used for *Regulatory capital* (**RC**). *Economic capital* (**EC**), *Risk-Adjusted Return on Capita*l (**RAROC)**, limit setting, ECL and stress testing are additional areas which make use of these parameters, although the values and methodologies for EC, ECL and stress testing differ from those employed in Pillar I. PDs, LGDs and EADs are also used in the CRR/CRD solvency report to the regulator.

Annual backtests of the internal rating framework are carried out to assess the quality and the performance of the models.

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

Expected Credit Loss determination

In order to calculate the ECL, NIBC has transformed the CRD/CRR PD/LGD/EAD to unbiased and PiT best-estimates by applying probability-weighted forward-looking scenarios for relevant macroeconomic factors.

The ECL calculation consists of three elements:

- PD of the borrower, which is an estimate of the default rate over any specified horizon based on the current state of the credit cycle and the anticipated macroeconomic scenarios.
- LGD, defined as the unbiased loss estimate at a future default date, which takes into account the presence and the value of collateral;
- EAD, which is the estimation of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments and prepayments of principal and interest, and arrears and expected drawdowns on undrawn committed facilities.

The ECL is calculated on individual corporate and residential mortgage loans, and can be summarised per stage as follows:

- Stage 1 – For newly originated loans and loans with no significant increase in their credit risk, the ECL is determined on a 12-month horizon;
- Stage 2 – For loans with a *Significant Increase in Credit Risk* (**SICR**), ECL is determined on a lifetime basis.
- Stage 3 - For defaulted loans the ECL is determined on a lifetime basis and based on facility-specific cash flow scenarios. For residential mortgage loans ECL is measured as the difference between the EAD and the sale proceeds of the collateral through private sale or auction.

Refer to the section financial instruments within the summary of material accounting policies for the accounting policy for Expected Credit Losses (ECL).

Credit loss expense on- and off-balance financial assets

in EUR millions	2024	2023
Financial assets at amortised cost/fair value through other comprehensive income		
Cash and banks	0	(0)
Debt investments	(0)	(0)
Mortgage loans	(3)	1
Corporate loans	14	21
Assets held for sale	0	0
Lease receivables	9	4
Debtors	0	(0)
Total for on-balance sheet financial assets (in scope of ECL requirements)	**21**	**26**
Off-balance sheet financial instruments and credit lines		
Committed facilities with respect to mortgage loans	0	0
Irrevocable mortgage guarantees	0	-
Irrevocable loan commitments and guarantees	(0)	(1)
Total for off-balance sheet financial assets (in scope of ECL requirements)	**(0)**	**(1)**
	20	**25**

Cash and Balances with Central Banks and Due from other banks are classified as ECL Stage 1.

MOVEMENT SCHEDULE OF GROSS CARRYING VALUES PER ECL STAGE

The following tables show the movement of the gross carrying values of financial assets at AC, as well as the undrawn commitments, and guarantees granted and irrevocable letters of credit ('other'), per ECL stage.

in EUR millions	Balance at 1 January 2024	Originated or purchased	Derecognised	Write-offs	Foreign exchange differences	Transfer from or to held for sale/disposal of assets	Stage transfers	Balance at 31 December 2024
Stage 1								
Debt investments	**895**	698	(425)	3	2	-	-	**1,173**
Mortgage loans	**12,667**	1,897	(1,143)	-	-	-	(162)	**13,259**
Corporate loans	**4,598**	1,520	(1,873)	0	66	(384)	(180)	**3,747**
Lease receivables	**1,236**	299	(217)	(4)	(4)	(1,304)	(6)	**0**
Off-balance:								
Undrawn commitments	**936**	1	(288)	(1)	6	(0)	(24)	**629**
Other	**11**	-	(4)	-	(0)	-	(7)	**0**
Stage 2								
Debt investments	**2**	-	(0)	0	-	-	0	**2**
Mortgage loans	**128**	-	(25)	-	-	-	127	**231**
Corporate loans	**242**	9	(116)	(0)	2	(3)	152	**286**
Lease receivables	**20**	-	(2)	(4)	-	(7)	(6)	**0**
Off-balance:								
Undrawn commitments	**42**	-	(26)	(0)	1	(0)	22	**39**
Other	**17**	-	(9)	-	0	-	7	**15**
Stage 3								
Mortgage loans	**89**	-	(16)	-	-	-	35	**109**
Corporate loans	**114**	2	(65)	0	0	-	28	**78**
Lease receivables	**31**	-	(11)	(0)	-	(31)	12	**1**
Off-balance:								
Undrawn commitments	**1**	-	(3)	(0)	-	-	3	**0**
Other	**-**	-	-	-	-	-	-	**-**
POCI								
Mortgage loans	**41**	-	(4)	-	-	-	-	**37**
Corporate loans	**71**	2	(10)	(0)	0	-	-	**63**
Off-balance:								
Undrawn commitments	**5**	-	(5)	0	0	-	-	**1**
Other	**26**	-	(1)	-	2	-	-	**27**
	21,172	**4,427**	**(4,242)**	**(6)**	**76**	**(1,730)**	**0**	**19,696**

in EUR millions	Balance at 1 January 2023	Originated or purchased	Derecognised	Write-offs	Foreign exchange differences	Transfer from or to held for sale	Stage transfers	Balance at 31 December 2023
Stage 1								
Debt investments	859	321	(294)	-	0	9	-	895
Mortgage loans	11,745	1,776	(817)	-	-	-	(37)	12,667
Corporate loans	4,640	1,715	(1,590)	-	(8)	1	(161)	4,598
Lease receivables	1,056	588	(367)	0	1	-	(42)	1,236
Off-balance:								
Undrawn commitments	1,141	2	(116)	(2)	3	-	(93)	936
Other	25	8	-	-	-	-	(22)	11
Stage 2								
Debt investments	2	0	(0)	-	-	-	-	2
Mortgage loans	137	-	(27)	-	-	-	18	128
Corporate loans	317	6	(197)	-	1	6	109	242
Lease receivables	25	-	(6)	(0)	-	-	1	20
Off-balance:								
Undrawn commitments	32	-	(84)	0	0	-	93	42
Other	(0)	-	(1)	-	-	-	18	17
Stage 3								
Mortgage loans	73	-	(3)	-	-	-	20	89
Corporate loans	125	0	(63)	-	1	-	52	114
Lease receivables	39	-	(5)	(43)	-	-	41	31
Off-balance:								
Undrawn commitments	0	0	(0)	0	-	-	0	1
Other	0	-	(4)	-	-	-	4	-
POCI								
Mortgage loans	46	-	(5)	-	-	-	-	41
Corporate loans	97	17	(43)	0	(0)	-	-	71
Off-balance:								
Undrawn commitments	21	-	(16)	(0)	(0)	-	-	5
Other	28	-	(0)	-	(1)	-	-	26
	20,409	**4,436**	**(3,639)**	**(45)**	**(5)**	**16**	**0**	**21,173**

MOVEMENT SCHEDULE OF THE CREDIT LOSS ALLOWANCES PER ECL STAGE

The following table discloses the movement of the credit loss allowances including management overlays in 2024 per financial instrument and ECL stage.

in EUR millions	Balance at 1 January 2024	Movements with no impact on credit loss allowances of financial assets in the income statement	Movements from ECL model with impact on the income statement	Movements from management overlay with impact on the income statement	Balance at 31 December 2024
Stage 1					
Debt investments	**(0)**	(0)	0	-	**(0)**
Mortgage loans	**6**	1	(1)	-	**6**
Corporate loans	**22**	(1)	(8)	(0)	**13**
Lease receivables	**3**	(3)	0	-	**0**
Off-balance	**2**	(0)	(1)	-	**1**
Stage 2					
Debt investments	**(0)**	-	0	-	**(0)**
Mortgage loans	**7**	(0)	(0)	-	**7**
Corporate loans	**7**	(1)	0	-	**5**
Lease receivables	**0**	(0)	(0)	-	**0**
Off-balance	**1**	(0)	0	-	**1**
Stage 3					
Mortgage loans	**2**	1	(1)	-	**1**
Corporate loans	**56**	(27)	6	-	**35**
Lease receivables	**3**	(9)	6	-	**0**
Off-balance	**0**	0	(0)	-	**(0)**
POCI					
Mortgage loans	**0**	-	(0)	-	**0**
Corporate loans	**51**	(40)	15	-	**26**
Off-balance	**0**	0	0	-	**0**
	159	**(80)**	**17**	**(0)**	**95**

in EUR millions	Balance at 1 January 2023	Movements with no impact on credit loss allowances of financial assets in the income statement	Movements from ECL model with impact on the income statement	Movements from management overlay with impact on the income statement	Balance at 31 December 2023
Stage 1					
Debt investments	(0)	0	(0)	-	(0)
Mortgage loans	5	0	0	1	6
Corporate loans	22	(0)	(0)	1	22
Lease receivables	2	-	(0)	1	3
Off-balance	3	-	(1)	-	2
Stage 2					
Debt investments	(0)	-	0	-	(0)
Mortgage loans	7	(0)	0	-	7
Corporate loans	9	0	(2)	-	7
Lease receivables	0	-	(0)	-	0
Off-balance	1	(0)	0	-	1
Stage 3					
Mortgage loans	1	2	(1)	-	2
Corporate loans	65	(26)	17	-	56
Lease receivables	27	(25)	2	-	3
POCI					
Mortgage loans	0	-	0	-	0
Corporate loans	62	(18)	6	-	51
Off-balance	0	-	(0)	-	0
	203	**(68)**	**21**	**3**	**159**

The credit loss allowance for corporate loans relates to the non-performing portfolio (stage 3 and POCI). These credit loss expenses partially offset by decreases in ECL for stage 1 due to derecognitions as a result of the Shipping portfolio sale.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The calculation of ECL requires management to apply significant judgment and make estimates and assumptions that involve significant uncertainty at the time they are made. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECL to be recognised.

Determination of a SICR

IFRS 9 does not include a definition of what constitutes SICR. NIBC assesses whether a SICR has occurred since initial recognition based on qualitative and quantitative reasonable and supportable forward-looking information that includes significant management judgment.

Scenarios, scenario weights and macroeconomic factors

The determination of the probability weighted ECL requires evaluating a range of relevant future economic conditions. To accommodate this requirement, NIBC uses three different macroeconomic scenarios in the ECL calculation: a baseline, an upturn and a downturn scenario. Each scenario is represented by a specific scenario narrative, scenario probability and a set of macroeconomic factors. A weight is computed for each scenario by using a probabilistic econometric model that considers recent information as well as several decades of historical data. The determined weights constitute the probabilities that the respective macroeconomic developments will occur. The scenarios, including the narratives, the macroeconomic forecasts and the scenario weights, are further discussed, challenged and potentially refined by a team of NIBC-internal experts. The baseline scenario is aligned to the economic and market assumptions used for NIBC business planning purposes.

The range of macroeconomic, market and other factors that is modelled as part of the scenario determination is wide, and historical information is used to support the identification of the key factors. As the forecast horizon increases, the availability of information decreases and judgement increases. The macroeconomic forecast has an influence on PDs only during the first 5 years. During years 6-10 the model applies reversion to the mean (i.e. the PiT PD converges with the *Through-the-Cycle* (**TTC**) PD) and after year 11 the PDs are influenced only by the TTC matrix. The forward-looking macroeconomic assumptions used in the ECL calculation are derived from Moody's Data Buffet. NIBC has segmented the ECL calculations into different models to allow for specific risks and forecasts to be incorporated in the macroeconomic scenarios. These models are used for the different ECL calculations:

- Corporate General;
- Corporate Energy; and
- Retail.

The following table discloses the macro-economic variables for the period 2025-2029 used in the 2024 year-end ECL calculation:

ECL SCENARIO	Macro-economic variables	2025	2026	2027	2028	2029
		% year-on-year change				
UPTURN SCENARIO	NL GDP	3.2%	2.8%	1.3%	1.3%	1.1%
	GB GDP	4.3%	3.0%	1.6%	1.6%	1.9%
	DE GDP	3.1%	2.0%	1.0%	0.9%	0.9%
	NL House Price Index	10.1%	7.7%	3.8%	3.5%	3.5%
	DE House Price Index	1.6%	3.4%	4.4%	4.3%	3.6%
	Crude Oil WTI	1.6%	-3.8%	-4.1%	0.1%	0.2%
BASELINE SCENARIO	NL GDP	1.5%	1.8%	1.5%	1.3%	1.1%
	GB GDP	1.8%	1.7%	1.6%	1.7%	1.7%
	DE GDP	1.1%	1.5%	1.3%	0.9%	0.9%
	NL House Price Index	8.0%	5.6%	4.2%	4.2%	3.7%
	DE House Price Index	0.6%	1.3%	2.5%	3.4%	3.4%
	Crude Oil WTI	-4.4%	-2.9%	-1.0%	0.3%	0.3%
DOWNTURN SCENARIO	NL GDP	0.3%	1.3%	2.1%	1.4%	1.1%
	GB GDP	-0.6%	1.2%	2.4%	1.7%	1.7%
	DE GDP	-0.4%	1.2%	1.8%	0.9%	0.9%
	NL House Price Index	6.0%	4.1%	4.6%	4.9%	3.8%
	DE House Price Index	0.0%	1.0%	2.4%	3.4%	3.0%
	Crude Oil WTI	-15.2%	-2.1%	7.3%	2.0%	1.0%

The following table discloses the macro-economic variables for the period 2024-2028 used in the 2023 year-end ECL calculation:

ECL SCENARIO	Macro-economic variables	2024	2025	2026	2027	2028
		% year-on-year change				
UPSIDE SCENARIO	NL GDP	2.3%	2.7%	1.4%	1.1%	0.9%
	GB GDP	2.9%	2.0%	1.2%	1.3%	1.7%
	DE GDP	2.6%	2.1%	1.3%	1.5%	1.5%
	NL House Price Index	0.2%	4.1%	5.5%	5.5%	4.3%
	DE House Price Index	1.5%	3.7%	3.4%	4.5%	4.6%
	Crude Oil WTI	6.8%	-13.6%	-3.8%	0.8%	0.3%
BASELINE SCENARIO	NL GDP	0.6%	1.7%	1.7%	1.1%	0.9%
	GB GDP	0.4%	0.8%	1.2%	1.4%	1.6%
	DE GDP	0.6%	1.6%	1.6%	1.5%	1.5%
	NL House Price Index	-1.8%	2.4%	6.2%	5.9%	4.4%
	DE House Price Index	-0.4%	2.8%	3.8%	4.3%	4.4%
	Crude Oil WTI	3.5%	-11.9%	-2.7%	0.8%	0.3%
DOWNSIDE SCENARIO	NL GDP	-0.6%	1.2%	2.2%	1.2%	0.9%
	GB GDP	-2.0%	0.3%	2.0%	1.4%	1.6%
	DE GDP	-0.9%	1.3%	2.1%	1.5%	1.5%
	NL House Price Index	-3.5%	1.2%	6.3%	6.3%	4.6%
	DE House Price Index	-1.9%	2.6%	3.9%	3.8%	4.2%
	Crude Oil WTI	-7.3%	-13.1%	6.3%	3.4%	0.9%

Scenarios and weights are updated semi-annually and submitted for approval to the ALCO of NIBC. NIBC has adjusted the macroeconomic scenarios to reflect geopolitical circumstances and economic conditions.

The summary for baseline scenario suggests high interest rates, negative sentiment, weak manufacturing orders, and a disappointing Chinese economy will provide headwinds to growth over the coming quarters. The labour market is expected to remain tight. Core inflation will gradually decline throughout the coming quarters. With monetary policy on a downward path, government bond yields will move sideways and financial markets remain calm.

NIBC has considered the number of scenarios and weights assigned to individual scenarios and decided to leave the scenario weights unchanged, consequently continuing to emphasise the elevated risk of a down turn. The assumptions made in relation to the forecast period used for scenario modelling have remained unchanged. The updates of the macroeconomic scenarios during 2024 have led to a decrease in ECL of EUR 1 million.

Expected Credit Loss measurement period

Lifetime ECL are determined based upon the contractual maturity of the transaction (other than revolving facilities), which significantly affects ECL. The ECL calculation is therefore sensitive to any extension of contractual maturities triggered by business decisions, customer payment discipline or an increased number of stage 2 positions.

Modelling and management adjustments
A number of models have been developed or modified to calculate ECL. Internal counterparty rating changes, new or revised models and data may significantly affect ECL. Management adjustments, based on counterparty details, can be applied when deemed necessary. The models are governed by NIBC's risk management department, supporting independent verification. Changes to the assumptions in the models are subject to approval by the Risk Management Committee (RMC) or the Asset & Liability Committee (ALCO) of NIBC.

Analysis on sensitivity
The following tables show the sensitivity to the different economic scenarios for Corporate - and Mortgage loans in ECL stages 1 and 2 (drawn and undrawn, excluding management overlay). From a materiality perspective on portfolio size and possible impact on the income statement only the mortgage and loan portfolios are included.

2024 Scenario	Assigned weight in %	Unweighted ECL Corporate loans in EUR millions	Reported ECL Corporate loans in EUR millions	Unweighted ECL Mortgage loans in EUR millions	Reported ECL Mortgage loans in EUR millions
Upturn	10.00%	12		1	
Baseline	30.00%	13	13	1	1
Downturn	60.00%	14		1	

2023 Scenario	Assigned weight in %	Unweighted ECL Corporate loans in EUR millions	Reported ECL Corporate loans in EUR millions	Unweighted ECL Mortgage loans in EUR millions	Reported ECL Mortgage loans in EUR millions
Upturn	10.00%	21		1	
Baseline	30.00%	24	25	1	1
Downturn	60.00%	27		1	

Management overlay

Mortgage loans
NIBC considered the current uncertainty on future developments in the Dutch housing market. With increased housing expenses and climate risk, NIBC performed an analysis to quantify the customer's ability to pay, taking into account the customer's burden space and the foreseen update on the ECL model factoring in other macroeconomic variables, such as unemployment. The outcome of the analysis was one of the considerations to include the ECL management overlay on mortgage loans. Based on the assessment of the risks mentioned in this paragraph, the ECL management overlay for mortgage loan exposures amounts to EUR 12 million (31 December 2023: EUR 12 million).

Corporate exposures
As the ECL modelling outcome is the result of assumptions and inputs, the outcome may not fully reflect all risks and circumstances as they are present at reporting date. Management concluded that some circumstances are not fully captured in the predictive value of the model, nor are they included in the historical data on which the models have been constructed. In this period of increased uncertainty, especially with respect to economic developments with a continued elevated level of interest rates, stabilising real estate market at elevated prices, continued elevated level of building material prices and a changing environment in public financing activities, a management overlay has been recognised to correctly reflect all risks and uncertainties per 31 December 2024. The nature of the management overlay focuses on sectors with elevated risk exposures, which are mainly recognised on Non-core portfolios. Compared to 2023 (EUR 7 million), the ECL management overlay increased by EUR 0.25 million to EUR 8 million in both stage 1 and 2 to represent the portfolios exposed to the above described uncertainties.

Asset quality
Asset quality has largely improved, partially as a result of the reduction of the non-core portfolio, improvements in NIBC's core business areas as well as write-offs. From an IFRS 9 staging perspective the overall portfolio demonstrates marginal deterioration in the Mortgage Loan portfolio and BtL. Despite the stable relative stage 3 assets in the non-core portfolio we note a nominal reduction here as well as in the overall non-core portfolio.

The average coverage ratio for both stage 3 and POCI assets decreased, largely due to write-offs. We observe that the stage 3 and POCI expected credit losses mainly relate to the non-core activities which is also where new stage 3 impairments have been concentrated. From an absolute perspective the stage 3 and POCI expected credit losses decreased significantly.

Other corporate exposures include NIBC's non-core asset classes.

Coverage and IFRS 9 Stage ratios (including management overlay)

	2024				2023			
In EUR millions	Exposure amount	Expected credit loss	Coverage ratio	Stage ratio	Exposure amount	Expected credit loss	Coverage ratio	Stage ratio
Stage 1								
Mortgage Loan portfolio	**13,506**	**0**	**0.0%**	**97%**	**13,031**	**1**	**0.0%**	**98%**
Owner occupied mortgage loans - Netherlands	12,203	0	0.0%	97%	11,757	1	0.0%	98%
Buy-to-Let Mortgage loans	1,300	0	0.0%	99%	1,270	0	0.0%	99%
Owner occupied mortgage loans - Germany	3	0	0.0%	67%	4	0	0.0%	72%
Asset Based Finance	**3,803**	**7**	**0.2%**	**94%**	**4,364**	**14**	**0.3%**	**96%**
Real Estate	1,840	4	0.2%	92%	1,563	4	0.2%	91%
Infrastructure	1,964	3	0.2%	97%	1,850	4	0.2%	98%
Shipping	-	-	0.0%	0%	952	6	0.7%	100%
Platforms	**-**	**-**	**0.0%**	**0%**	**1,621**	**5**	**0.3%**	**97%**
Equipment leasing[1]	-	-	0.0%	0%	1,236	3	0.2%	97%
Automotive financing	-	-	0.0%	0%	385	2	0.6%	100%
Non-Core Activities	**586**	**1**	**0.2%**	**69%**	**792**	**2**	**0.3%**	**68%**
Other	586	1	0.2%	69%	792	2	0.3%	68%
Management Overlay		**11**				**12**		
Total stage 1	**17,895**	**20**	**0.1%**	**95%**	**19,808**	**34**	**0.2%**	**96%**
Stage 2								
Mortgage Loan portfolio	**230**	**0**	**0.0%**	**2%**	**127**	**0**	**0.0%**	**1%**
Owner occupied mortgage loans - Netherlands	221	0	0.0%	2%	120	0	0.0%	1%
Buy-to-Let Mortgage loans	8	0	0.0%	1%	6	0	0.0%	0%
Owner occupied mortgage loans - Germany	1	0	0.0%	15%	1	0	0.0%	17%
Asset Based Finance	**224**	**2**	**1.1%**	**6%**	**180**	**2**	**1.0%**	**4%**
Real Estate	164	1	0.9%	8%	147	1	0.8%	9%
Infrastructure	60	1	1.5%	3%	30	1	1.9%	2%
Shipping	-	-	0.0%	0%	3	0	1.0%	0%
Platforms	**-**	**-**	**0.0%**	**0%**	**20**	**0**	**1.6%**	**1%**
Equipment leasing[1]	-	-	0.0%	0%	20	0	1.6%	2%
Automotive financing	-	-	0.0%	0%	-	-	0.0%	0%
Non-Core Activities	**110**	**3**	**2.7%**	**13%**	**125**	**5**	**4.1%**	**11%**
Other	110	3	2.7%	13%	125	5	4.1%	11%
Management Overlay		**8**				**8**		
Total stage 2	**564**	**13**	**2.3%**	**3%**	**453**	**15**	**3.3%**	**2%**

1 Included finance leases only.

	2024				2023			
In EUR millions	Exposure amount	Expected credit loss	Coverage ratio	Stage ratio	Exposure amount	Expected credit loss	Coverage ratio	Stage ratio
Stage 3								
Mortgage Loan portfolio	**108**	**1**	**0.7%**	**1%**	**89**	**2**	**1.7%**	**1%**
Owner occupied mortgage loans - Netherlands	103	1	0.8%	1%	85	1	1.8%	1%
Buy-to-Let Mortgage loans	4	-	0.0%	0%	3	-	0.0%	0%
Owner occupied mortgage loans - Germany	1	0	1.0%	18%	1	0	1.4%	11%
Asset Based Finance	**-**	**-**	**0.0%**	**0%**	**13**	**3**	**25.2%**	**0%**
Real Estate	-	-	0.0%	0%	-	-	0.0%	0%
Infrastructure	-	-	0.0%	0%	13	3	25.2%	1%
Shipping	-	-	0.0%	0%	-	-	0.0%	0%
Platforms	**-**	**-**	**0.0%**	**0%**	**24**	**1**	**3.2%**	**1%**
Equipment leasing[1]	-	-	0.0%	0%	24	1	3.2%	2%
Automotive financing	-	-	0.0%	0%	-	-	0.0%	0%
Non-Core Activities	**80**	**35**	**43.5%**	**9%**	**120**	**55**	**45.6%**	**10%**
Other	79	35	43.8%	9%	113	52	46.3%	10%
Other lease receivables	1	0	1.4%	100%	7	3	35.1%	100%
Total stage 3	**188**	**35**	**18.8%**	**1%**	**246**	**60**	**24.5%**	**1%**
POCI								
Mortgage Loan portfolio	37	0	0.6%	0%	41	0	1.2%	0%
Asset Based Finance	13	7	49.5%	0%	-	-	0.0%	0%
Non-Core Activities	78	20	25.5%	9%	120	51	42.2%	10%
Total POCI	**128**	**27**	**20.8%**	**1%**	**162**	**51**	**31.7%**	**1%**
Loans at fair value through P&L	**112**				**159**			
TOTAL	**18,887**	**95**	**0.5%**		**20,828**	**160**	**0.8%**	

1 Included finance leases only.

RATING OF CARRYING VALUES PER ECL STAGE

The following tables present the credit quality based on NIBC's internal credit rating system for debt investments, corporate loans, lease receivables and undrawn commitments and year-end stage classification.

in EUR millions	Investment	Sub-Investment	Default	Default grade (bankruptcy filing)	Unrated	Total 2024
Stage 1						
Debt investments	1,173	-	-	-	-	**1,173**
Corporate loans	1,069	2,619	-	-	46	**3,734**
Lease receivables	-	-	-	-	-	**-**
Off-balance:						
Undrawn commitments	113	309	-	-	205	**628**
Other	-	0	-	-	-	**0**
Stage 2						
Debt investments	-	2	-	-	-	**2**
Corporate loans	-	268	-	-	13	**281**
Lease receivables	-	-	-	-	-	**-**
Off-balance:						
Undrawn commitments	-	38	-	-	-	**38**
Other	-	15	-	-	-	**15**
Stage 3						
Corporate loans	-	-	-	44	-	**44**
Lease receivables	-	-	-	-	1	**1**
Off-balance:						
Undrawn commitments	-	-	0	0	-	**0**
POCI						
Corporate loans	-	-	-	37	-	**37**
Off-balance:						
Undrawn commitments	-	0	-	-	-	**0**
Other	-	27	-	-	0	**27**
	2,355	**3,278**	**0**	**81**	**265**	**5,979**

Off-balance 'Other' refers to guarantees granted and irrevocable letters of credit.

in EUR millions	Investment	Sub-investment	Default	Default grade (bankruptcy filing)	Unrated	Total 2023
Stage 1						
Debt investments	895	-	-	-	-	895
Corporate loans	791	3,663	-	-	121	4,575
Lease receivables	3	1,230	-	-	-	1,233
Off-balance:						
Undrawn commitments	137	762	-	-	34	934
Other	6	5	-	-	0	11
Stage 2						
Debt investments	-	2	-	-	-	2
Corporate loans	-	206	-	-	29	235
Lease receivables	-	20	-	-	-	20
Off-balance:						
Undrawn commitments	-	41	-	-	-	41
Other	-	17	-	-	-	17
Stage 3						
Corporate loans	-	-	60	(1)	-	58
Lease receivables	-	23	-	-	5	28
Off-balance:						
Undrawn commitments	-	-	1	-	-	1
POCI						
Corporate loans	-	-	20	-	-	20
Off-balance:						
Undrawn commitments	-	5	-	-	-	5
Other	-	26	-	0	-	26
	1,832	**6,001**	**80**	**(1)**	**190**	**8,102**

The following tables present the credit quality based on PD for mortgages and year-end stage classification.

in EUR millions	<= 1%	1%> <=2%	2%> <=5%	5%> <100%	100%	Total 2024
Stage 1						
Mortgage loans	12,390	278	331	255	-	**13,254**
Stage 2						
Mortgage loans	14	74	35	101	-	**224**
Stage 3						
Mortgage loans	1	-	-	0	107	**108**
POCI						
Mortgage loans	4	-	6	11	16	**37**
	12,409	**352**	**373**	**366**	**123**	**13,622**

in EUR millions	<= 1%	1%> <=2%	2%> <=5%	5%> <100%	100%	Total 2023
Stage 1						
Mortgage loans	11,685	408	290	278	-	**12,661**
Stage 2						
Mortgage loans	5	4	28	84	-	**122**
Stage 3						
Mortgage loans	2	0	-	0	86	**88**
POCI						
Mortgage loans	4	-	7	7	23	**41**
	11,696	**413**	**326**	**369**	**108**	**12,911**

MORTGAGE LOANS

Breakdown of Mortgage Loan portfolio

In EUR millions	2024	2023
Mortgage loan portfolio		
Owner occupied mortgage loans - Netherlands	12,564	11,929
Buy-to-Let Mortgage loans	1,313	1,354
Owner occupied mortgage loans - Germany (closed book)	4	5
Total Mortgage Loan portfolio	**13,880**	**13,288**

DUTCH MORTGAGE LOAN PORTFOLIO

The Dutch Mortgage Loan portfolio largely consists of owner occupied mortgages. These contain 'NIBC' and 'Lot Hypotheken' loans originated by business partners since 2013, as well as white label mortgage loans that were also originated by business partners up to 2009 or acquired from third parties, as part of a portfolio purchase. Buy-to-Let (**BtL**) (NIBC Vastgoed Hypotheek) mortgages for investors are being offered since January 2015. This niche currently comprises approximately 9.6% of the total Mortgage Loan portfolio. Servicing and administration of the Mortgage Loan portfolio is outsourced to third-party servicers. Acceptance and special servicing is performed in-house.

At 31 December 2024, 14.7% of the Mortgage Loan portfolio (31 December 2023: 13.8%) had a *National Mortgage Guarantee* (**NHG guarantee**) in accordance with the general terms and conditions set by the WEW.

A part of the Dutch Mortgage Loan portfolio can be used for securitisation to obtain external secured funding. NIBC generally retains the junior notes. As a result the securitisation programmes are consolidated on NIBC's balance sheet. The total amount of the retained positions at 31 December 2024 was zero (31 December 2023: zero).

At 31 December 2024, EUR 143 million was reported as forborne (31 December 2023: EUR 128 million).

There is a small reduction in interest only mortgage loans. NIBC actively stimulates clients to convert interest only loans into redeeming loan types (a.o. through the 'aflossingsblij' campaign). Overall, the relative size of the interest only portfolio reduced slightly even though clients redeem on other parts of the portfolio. For new loan origination, interest only loans are capped at 50% of the loan-to-value for all borrowers.

Breakdown Dutch Mortgage Loan portfolio by loan type

in EUR millions	2024		2023	
Interest only (100%)	2,027	15%	2,138	16%
Interest only (partially)	4,568	33%	4,554	34%
Annuity	6,331	46%	5,552	42%
Linear	437	3%	464	3%
Savings	41	0%	48	0%
Life insurance/investments	472	3%	528	4%
Total	**13,876**	**100%**	**13,284**	**100%**

Breakdown Dutch Mortgage loan Interest only (100%) portfolio per loan-to-value bucket

in EUR millions	2024		2023	
NHG	56	3%	58	3%
<=50%	1,767	87%	1,690	79%
>50% and <=70%	197	10%	364	17%
>70% and <=100%	8	0%	25	1%
>100%	-	0%	1	0%
Total	**2,027**	**100%**	**2,138**	**100%**

PD allocation of Dutch mortgage loans

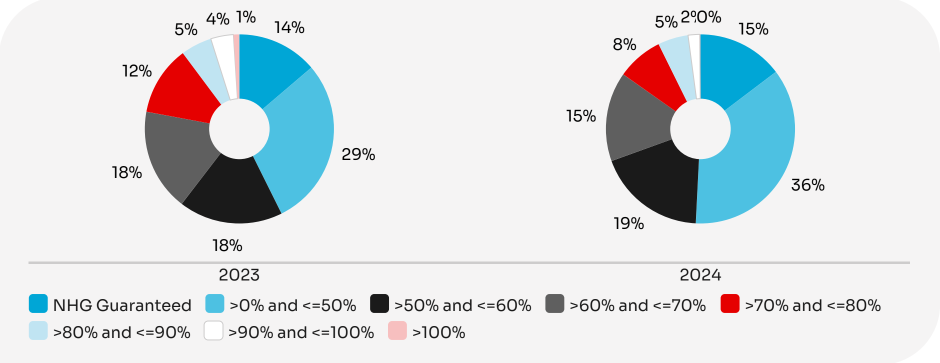
	Own book Dutch mortgage loans		Securitised Dutch mortgage loans	
in %	2024	2023	2024	2023
<= 1%	95.7	90.3	-	-
1%> <=2%	1.3	3.4	-	-
2%> <=5%	1.3	2.4	-	-
5%> <100%	1.3	3.0	-	-
100%	0.4	0.9	-	-
Total	**100**	**100**	**-**	**-**

Arrears overview, Dutch Mortgage Loan portfolio

	Arrears allocation		IFRS 9 Stage 3		IFRS 9 Stage 1 and Stage 2	
in EUR millions	2024	2023	2024	2023	2024	2023
No payment in arrear	13,740	13,179	94	93	13,647	13,086
0-30 days	97	80	23	19	74	61
31-60 days	15	13	7	7	9	6
61-90 days	9	3	6	2	3	1
Over 90 days	15	9	14	9	1	0
Total	**13,876**	**13,284**	**144**	**130**	**13,732**	**13,154**

Arrears includes non-material arrears and does not exclude these as is done in the Definition of Default policy. An indicator for potential losses, taking into account indexation of house prices and seasoning, is the *Loan-to-Indexed-Market-Value* (**LTIMV**). The indexation is made by using the CBS/Kadaster index, which is based on market observables. The Kadaster (national property register) is a public government register of real estate and their vested rights (e.g. ownership and mortgages). This register contains transaction data as well as CBS (Statistics Netherlands) data, which are used to construct a pricing index. The following graph shows a breakdown of the LTIMV for the total Dutch Mortgage Loan portfolio at the relevant measurement dates. The average seasoning of the total portfolio is 7.4 years (7 years in 2023), 0.1% of the total portfolio has an LTIMV above 100%. For the remainder of the portfolio, the indexed collateral value is more than or equal to the nominal loan balance outstanding or is a NHG guaranteed mortgage loan.

Dutch Mortgage Loan portfolio per LTIMV bucket



GERMAN MORTGAGE LOAN PORTFOLIO

The German Mortgage Loan portfolio, which is a closed book, amounted to EUR 4 million at 31 December 2024 (31 December 2023: EUR 5 million). The collateral value of this portfolio amounted to EUR 14 million at 31 December 2024 (31 December 2023: EUR 19 million). The majority of mortgage loans in Germany contain an annuity debt profile, leading to a lower outstanding balance during the lifetime of the loan.

CORPORATE LOANS

CORPORATE LOAN DISTRIBUTION

The following tables contain both the corporate loans and the investment loans. The investment loans are part of the non-core portfolio/other. Expected recovery in the following tables is calculated based on the LGD ratings. Consequently the difference between total exposure and expected recovery as disclosed indicates the expected shortfall if the total portfolio would be in default.

Corporate loan exposure per portfolio and region, 31 December 2024

in %	Real Estate	Infrastructure	Shipping	Automotive financing	Non-Core	Total	Total (in EUR millions)
The Netherlands	36	7	-	-	3	46	2,317
Germany	-	9	-	-	4	13	645
United Kingdom	5	11	-	-	9	25	1,271
The rest of Europe	1	14	-	-	0	15	745
Other	-	-	-	-	1	1	28
Total	**42**	**41**	**-**	**-**	**17**	**100**	**5,006**
Total (in EUR millions)	**2,114**	**2,037**	**-**	**-**	**855**		**5,006**
Expected Recovery[1]	**1,801**	**1,652**	**-**	**-**	**678**		**4,131**

1 Including the financial effect of collateral.

Corporate loan exposure per portfolio and region, 31 December 2023

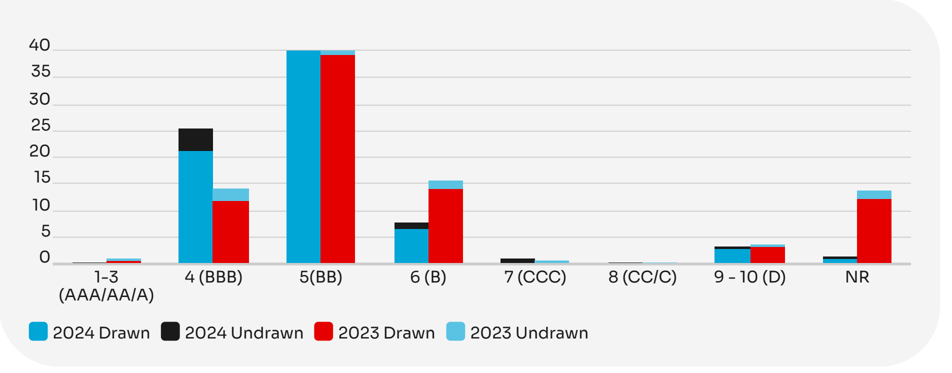
in %	Real Estate	Infrastructure	Shipping	Automotive financing	Non-Core	Total	Total (in EUR millions)
The Netherlands	27	6	4	6	6	49	3,063
Germany	-	7	3	-	5	14	872
United Kingdom	2	7	1	-	8	18	1,104
The rest of Europe	1	10	6	0	0	17	1,083
Other	-	-	2	-	0	2	130
Total	**29**	**30**	**15**	**6**	**19**	**100**	**6,252**
Total (in EUR millions)	**1,843**	**1,893**	**955**	**385**	**1,176**		**6,252**
Expected Recovery[1]	**1,569**	**1,508**	**799**	**354**	**893**		**5,123**

1 Including the financial effect of collateral.

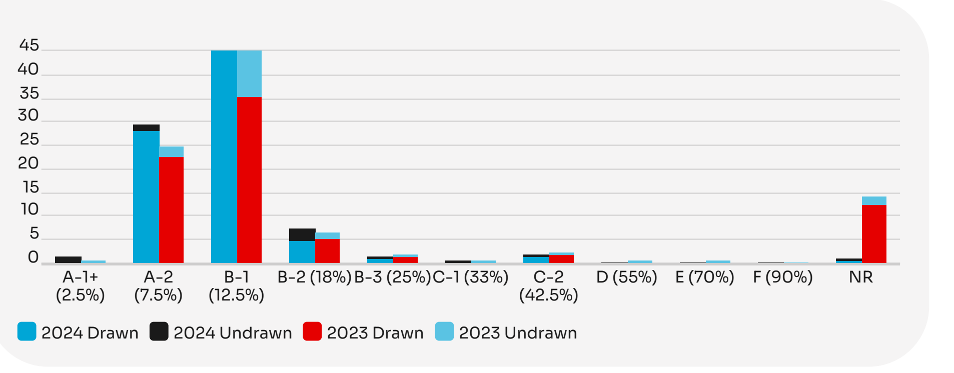
The weighted average CCR of the non-defaulted clients improved to 5 with an average PD of 1.16% at 31 December 2024 (31 December 2023: 5- or 1.4%). The credit quality in terms of CCRs remained concentrated in the sub-investment grade categories 5 and 6 (BB and B categories in external rating agencies' scales).

The following graph shows the distribution of the drawn and undrawn corporate loan exposure per CCR. The numbers on the horizontal axis refer to NIBC's internal rating scale, whereas the letters in parentheses refer to the equivalent rating scale of Standard & Poor's. NR stands for not rated/not ratable and is assigned to entities for which NIBC's corporate rating models were not suitable at the time of rating or capital/RWA treatment is based on the standardised approach.

Drawn and undrawn corporate loan exposure per CCR rating base on %



Drawn and undrawn non-defaulted corporate loan exposure per LGD rating



COLLATERAL AND LOSS GIVEN DEFAULT

NIBC's internal LGD scale consists of 7 grades (A-F) and 10 notches, each of which represents a different degree of recovery prospects and loss expectations. LGD ratings are facility-specific. The weighted average LGD remained stable at B-1 grade with slightly improved average LGD of 12.2% at 31 December 2024 (31 December 2023: 13.4%). The weighted average LGD is calculated for non-defaulted loans and is weighted by EAD. The asset classes that are part of NIBC's strategic focus are all well collateralised, the other facilities have some form of collateralisation, resulting in LGDs concentrated (at inception) in those LGD categories that correspond to high recoveries in the range of 80% and 90%.

The following graph shows the distribution of non-defaulted drawn and undrawn corporate loan exposures per LGD. The letters on the horizontal axis refer to NIBC's LGD grades, whereas the numbers in parentheses refer to the loss percentage assigned to each LGD rating.

The most significant types of collateral securing the loan and derivative portfolios are tangible assets, such as real estate and equipment. The Commercial Real Estate portfolio is primarily collateralised by mortgages on financed properties. The weighted average loan-to-value of the commercial real estate portfolio is 56%. The fair value of collateral affects the LGD and therefore indirectly affects the calculation of ECL and is generally assessed at inception and periodically re-assessed thereafter. Collateral value on a going concern basis is estimated using third-party appraisers, whenever possible, or valuation techniques based on common market practice. Realisable collateral value is determined as collateral value after haircuts for factors such as business cycle, location, asset construction status or guarantor counterparty rating. Other commercial exposures are, to a large extent, collateralised by assets such as inventory, debtors, lease and other receivables and third-party credit protection (e.g. guarantees).

ARREARS

An overview of the amounts in arrear per arrear bucket is provided in the following tables. The '% of On-balance' in the tables refer to drawn amounts only. The amounts in arrear are the actual amounts overdue at the reporting date. The column labelled ‘Impairment Amount’ includes stage 3 assets as well as *Purchased Originated Credit Impaired* (**POCI**) assets.

NIBC applies a threshold for determining whether a loan carries a non-material arrear. If the total of the sum of all individual arrears on facility level is lower than 1% of the loan amount outstanding and lower than EUR 500, and the oldest due date of individual counterparty is less than 90 days, then the arrear is considered immaterial. If arrears fall within the threshold, the exposure is placed on the 'no payment in arrear' line. The application of this threshold does not influence the total arrears.

Corporate loan amounts in arrear, 31 December 2024

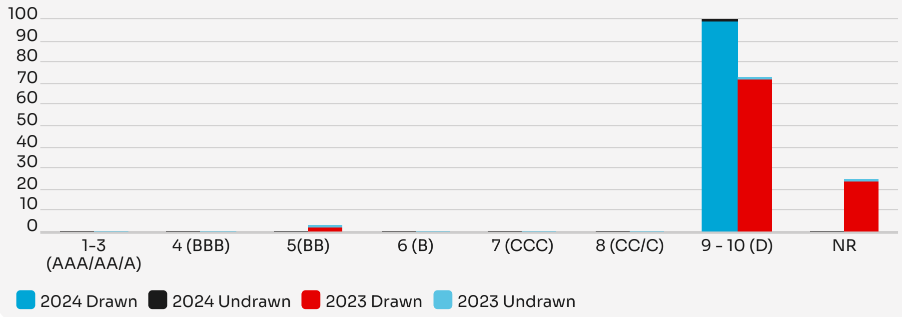
	Exposure						Amount in arrear		
in EUR millions	Total	% of Ex-posure	Stage 3	Stage 1 and Stage 2	POCI	FVtPL	Total	% of On-balance	Impair-ment amount
Age of payment in arrear									
1 - 5 days	-	0.0%	-	-	-	-	-	0.0%	-
6 - 30 days	-	0.0%	-	-	-	-	-	0.0%	-
31 - 60 days	-	0.0%	-	-	-	-	-	0.0%	-
61 - 90 days	-	0.0%	-	-	-	-	-	0.0%	-
Subtotal less than 90 days	**-**	**0.0%**	**-**	**-**	**-**	**-**	**-**	**0.0%**	**-**
Over 90 days	7	0.1%	3	-	3	0	7	0.2%	2
No payment in arrear	5,000	99.9%	76	4,724	88	112		0.0%	59
Total	**5,006**	**100.0%**	**79**	**4,724**	**91**	**112**	**7**	**0.2%**	**61**

Corporate loan amounts in arrear, 31 December 2023

	Exposure						Amount in arrear		
in EUR millions	Total	% of Ex-posure	Stage 3	Stage 1 and Stage 2	POCI	FVtPL	Total	% of On-balance	Impair-ment amount
Age of payment in arrear									
1 - 5 days	4	0.1%	-	4	-	-	2	0.0%	-
6 - 30 days	13	0.2%	13	-	-	-	0	0.0%	3
31 - 60 days	30	0.5%	-	30	-	-	31	0.6%	-
61 - 90 days	-	0.0%	-	-	-	-	0	0.0%	-
Subtotal less than 90 days	**47**	**0.8%**	**13**	**34**	**-**	**-**	**33**	**0.6%**	**3**
Over 90 days	78	1.2%	74	-	3	0	50	1.0%	37
No payment in arrear	6,127	98.0%	39	5,812	117	159		0.0%	66
Total	**6,252**	**100.0%**	**126**	**5,846**	**120**	**159**	**83**	**1.6%**	**107**

The rating distribution of the exposure amounts of all loans with an amount in arrears is shown below. Arrears in 2024 are concenrated in the defaulted portfolio. Given the high percentage of the portfolio with no payment arrears, movements within the arrears portfolio between ratings may be more visible.

Distribution of drawn and undrawn amounts with an arrear per rating category (% of exposure with arrears)



The following tables provide the total forborne outstanding in NIBC's Corporate and Investment Loan portfolio per portfolio and per region. The forborne outstanding is divided in performing and non-performing outstanding. The forborne exposure has reduced largely due to the reduction of the non-core portfolio.

Forborne exposure per region, 31 December 2024

	Exposure			
In EUR millions	Non-performing	Performing	Total Exposure	Impairment amount
The Netherlands	16	66	82	4
Germany	85	17	102	34
United Kingdom	1	-	1	1
The rest of Europe	-	-	-	-
Other	-	27	27	1
Total	**101**	**110**	**211**	**40**

Forborne exposure per region, 31 December 2023

	Exposure			
In EUR millions	Non-performing	Performing	Total Exposure	Impairment amount
The Netherlands	49	9	58	29
Germany	117	17	134	60
United Kingdom	3	-	3	3
The rest of Europe	13	-	13	3
Other	0	-	0	0
Total	**182**	**26**	**208**	**95**

Forborne exposure per ECL stage

In EUR millions	2024 Exposure amount	2024 Expected credit loss	2024 Write-offs	2023 Exposure amount	2023 Expected credit loss	2023 Write-offs
Stage 1						
Real Estate	-	-	-	9	0	-
Infrastructure	-	-	-	-	-	-
Shipping	-	-	-	-	-	-
Automotive financing	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total stage 1	**-**	**-**	**-**	**9**	**0**	**-**
Stage 2						
Real Estate	52	1	-	-	-	-
Infrastructure	-	-	-	-	-	-
Shipping	-	-	-	-	-	-
Automotive financing	-	-	-	-	-	-
Other	31	0	-	17	0	-
Total stage 2	**83**	**1**	**-**	**17**	**0**	**-**
Stage 3						
Real Estate	-	-	-	-	-	-
Infrastructure	-	-	4	13	3	-
Shipping	-	-	-	-	-	-
Automotive financing	-	-	-	-	-	-
Other	51	20	20	86	44	23
Total stage 3	**51**	**20**	**24**	**99**	**48**	**23**
Total stages 1, 2 and 3	**133**	**21**	**24**	**125**	**48**	**23**
Other loans						
POCI	78	20	6	83	47	-
FVtPL	0	-	-	0	-	-
Total amounts	**211**	**41**	**31**	**208**	**95**	**23**

ECL AMOUNTS

Refer to section Credit risk (audited) above for full detail on ECL determination. The table on the next page displays an overview of stage 1, stage 2 and stage 3 ECL amounts subdivided in regions. The column labelled 'Exposure amount' shows the gross amount and includes both drawn and undrawn amounts.

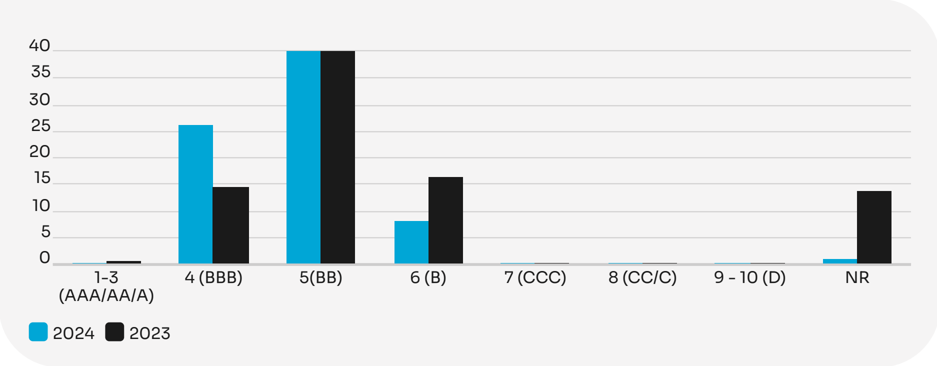
Expected credit losses per region (excluding Management Overlay)

in EUR millions	2024 Exposure amount	2024 Expected credit loss	2024 Write-offs	2023 Exposure amount	2023 Expected credit loss	2023 Write-offs
Stage 1						
The Netherlands	2,005	4	-	2,699	9	-
Germany	473	1	-	692	3	-
United Kingdom	1,209	2	-	1,045	2	-
The rest of Europe	702	1	-	1,009	4	-
Other	-	-	-	96	0	-
Total stage 1	**4,389**	**8**	**-**	**5,541**	**18**	**-**
Stage 2						
The Netherlands	184	1	-	176	1	-
Germany	58	1	-	29	3	-
United Kingdom	61	3	-	56	3	-
The rest of Europe	30	1	-	41	1	-
Other	1	0	-	3	0	-
Total stage 2	**334**	**5**	**-**	**305**	**7**	**-**
Stage 3						
The Netherlands	16	4	19	48	29	1
Germany	63	30	5	62	20	0
United Kingdom	1	1	-	3	3	23
The rest of Europe	-	-	-	13	3	0
Other	-	-	0	0	0	-
Total stage 3	**79**	**35**	**24**	**126**	**56**	**24**
Total of stages 1, 2 and 3						
The Netherlands	2,205	10	19	2,923	39	1
Germany	594	32	5	782	26	0
United Kingdom	1,271	5	-	1,104	8	23
The rest of Europe	732	2	-	1,063	8	0
Other	1	0	0	100	0	-
Total stages 1, 2 and 3	**4,802**	**48**	**24**	**5,972**	**81**	**24**
Other loans						
POCI	91	27	6	120	51	23
FVtPL	112	0	-	159	0	-
Total amounts	**5,006**	**75**	**31**	**6,252**	**132**	**47**

CORPORATE LOANS WITHOUT STAGE 3 ECL OR ARREARS

At 31 December 2024, the size of the corporate loan exposure carrying stage 1 and stage 2 credit losses equalled EUR 4,731 million or 94.4% of the total Corporate Loan portfolio (31 December 2023: EUR 7,182 million or 94.7%).

Distribution of exposure amount without impairments or arrears per rating category



Note that exposure amounts may include exposure accounted for at FVtPL, in which case no separate impairment will be recorded.

LEASE RECEIVABLES

Lease receivables exposure is related to a single counterparty with an exposure of EUR 0.7 million, which is part of the Non-core portfolio. This exposure is defaulted and non-performing.

DEBT INVESTMENTS

NIBC defines credit risk in debt investments as issuer risk, which is the credit risk of losing the principal amount on products such as bonds. Issuer risk is calculated based on the book value.

RISK MONITORING AND MEASUREMENT

Risk is controlled by setting single issuer limits and, in some cases, program limits. All single issuer limits are approved by the TC or by delegated authority to the *Financial Markets Credit Risk* (**FMCR**) department. Apart from single issuer limits, risk is also monitored by assessing credit spread risk. Both sensitivity analysis (*basis point values,* **BPV**s) and Value at Risk (**VaR**) numbers are used.

The Market Risk paragraph contains more information on these variables.
In the remainder of this section, the exposure has been divided into the following two sub-portfolios:

- Debt from financial institutions and sovereigns;
- Securitisations.

DEBT ISSUED BY FINANCIAL INSTITUTIONS AND SOVEREIGNS

NIBC invests in debt (bonds) issued by financial institutions and sovereigns. Of the total exposure, 46% (31 December 2023: 68%) were covered bonds. The remaining 54% (31 December 2023: 32%) was senior unsecured debt.

The exposure amount of EUR 499 million at 31 December 2024 represents the maximum credit risk exposure, without taking into account the presence of any collateral that could be repossessed in case of default. The portfolio did not contain any credit default swap exposures.

Debt of financial institutions and sovereigns, 31 December 2024

In EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
Financial institutions	340	-	16	0	-	-	-	**356**
Sovereigns	125	18	-	-	-	-	-	**143**
Total	**464**	**18**	**16**	**0**	**-**	**-**	**-**	**499**

Debt of financial institutions and sovereigns, 31 December 2023

In EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
Financial institutions	160	43	45	-	-	-	-	**248**
Sovereigns	63	17	-	-	-	-	-	**80**
Total	**223**	**60**	**45**	**-**	**-**	**-**	**-**	**328**

At both 31 December 2024 and 31 December 2023, the portfolio of debt from financial institutions and sovereigns had no credit losses and contained no arrears.

SECURITISATIONS

NIBC has been an active participant on the securitisation market in the past decade, both as an originator and an investor in securitisations. NIBC's securitisation exposure forms part of the broader Debt Investment portfolio in addition to financial institutions and sovereigns.

The following tables present an overview of NIBC's total securitisation exposure resulting from its activities as investor in securitisations. The exposure relating to NIBC's activities as an originator can be split into exposures related to consolidated and non-consolidated securitisations. If a securitisation programme is consolidated on NIBC's balance sheet, the exposure to the underlying collateral is excluded from the securitisation exposure and included in the total exposures presented earlier with respect to the credit risk of the residential Mortgage Loan portfolio. NIBC's total exposure as an originator to consolidated securitisations was EUR 168 million at 31 December 2024 (31 December 2023 EUR 161 million).

NIBC distinguishes two Securitisation sub-portfolios: the Liquidity Investments portfolio and the portfolio of European Securitisations. The Liquidity Investments portfolio invests part of NIBC's excess liquidity where our investments are primarily AAA rated RMBS or ABS transactions backed by European collateral (e.g. French and German mortgage loans, car loans and credit card receivables) and are eligible to be pledged as collateral with the European Central Bank (ECB). The portfolio of investments in European securitisations also contains NIBC's own non-consolidated securitisations which are subject to relevant (delegated) internal approval process. NIBC does not use Fitch as a provider of external ratings and as such securitisations with only a rating of Fitch are classified as Not Rated (NR).

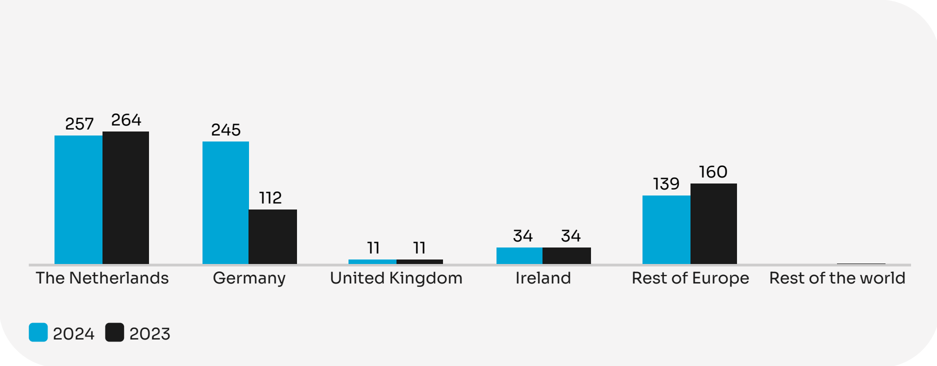
Exposure to securitised products, 31 December 2024

Book value, in EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
EU - RMBS AAA Liquidity portfolio	305	-	-	-	-	-	48	**352**
EU- ABS AAA Liquidity portfolio	251	-	-	-	-	-	43	**294**
Total Liquidity portfolio	**556**	**-**	**-**	**-**	**-**	**-**	**90**	**646**
European securitisations	-	-	26	11	-	3	-	**40**
Total securitisation exposure	**556**	**-**	**26**	**11**	**-**	**3**	**90**	**686**

Exposure to securitised products, 31 December 2023

Book value, in EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
EU - RMBS AAA Liquidity portfolio	284	-	-	-	-	-	71	**355**
EU- ABS AAA Liquidity portfolio	155	-	-	-	-	-	26	**181**
Total Liquidity portfolio	**439**	**-**	**-**	**-**	**-**	**-**	**97**	**536**
European securitisations	-	-	28	12	-	4	-	**43**
Total securitisation exposure	**439**	**-**	**28**	**12**	**-**	**4**	**97**	**579**

Geographic distribution of securitisations per region (based on where cash flows are generated)



EXPECTED CREDIT LOSSES ON SECURITISATIONS

The Securitisations portfolio is reported at amortised cost or fair value for accounting purposes and the respective assets are subject to a quarterly impairment monitoring process. ECL related to stage 3 are taken when the expected future cash flows are insufficient to meet the payment obligations. The stock of stage 3 credit losses remained at EUR 0 million at 31 December 2024 (31 December 2023: EUR 0 million).

Distribution of securitisation exposure without impairments, 31 December 2024

Book value, in EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
Securitisation exposure without impairments	556	-	27	11	-	3	90	**686**

Distribution of securitisation exposure without impairments, 31 December 2023

Book value, in EUR millions	AAA	AA	A	BBB	BB	<BB	NR	Total
Securitisation exposure without impairments	439	-	28	12	-	4	97	**579**

CASH MANAGEMENT

NIBC is exposed to credit risk as a result of cash management activities. In 2024, NIBC's risk management framework for cash management continued its conservative approach, taking into account the volatile financial markets.

RISK MONITORING AND MEASUREMENT

NIBC places its excess cash with the DNB/Dutch State Treasury Agency and with a selected number of investment-grade financial institutions. A monitoring process is in place within the Financial Markets Credit Risk department for the approved financial institutions. Cash management exposures can be collateralised through reverse repo transactions or unsecured through interbank deposits and current accounts.

CORRESPONDENT BANKING AND THIRD-PARTY ACCOUNT PROVIDERS

Apart from the exposure in cash management, NIBC holds foreign currency accounts at correspondent banks and also utilises third-party account providers for internal securitisations.

EXPOSURES

The majority of funds are held at DNB, Deutsche Bundesbank, and the National Bank of Belgium. Cash with corporate entities represents securitisation-related liquidity facilities. The Expected Credit Loss on this portfolio is not material given the high credit quality of counterparties.

Cash, 31 December 2024

In EUR millions	AAA	AA	A	≤BBB	Total
Cash and balances with central banks	3,081	15	-	-	**3,096**
Financial institutions	-	63	451	-	**513**
Corporate entities	-	-	-	12	**12**
Total	**3,081**	**77**	**451**	**12**	**3,621**

Cash, 31 December 2023

In EUR millions	AAA	AA	A	≤BBB	Total
Cash and balances with central banks	1,983	11	-	-	**1,994**
Financial institutions	-	54	380	9	**443**
Corporate entities	4	-	-	-	**4**
Total	**1,987**	**65**	**380**	**9**	**2,441**

Cash collateral has been excluded from the cash management exposure as this amount is restricted cash that relates to derivatives with a negative fair value. At both 31 December 2024 and 31 December 2023, this portfolio carried no impairments and no arrears.

DERIVATIVES

Credit risk in derivatives is the risk of having to replace the counterparty in derivative contracts. NIBC's credit risk in derivatives can be split into exposures to financial institutions and corporate entities. NIBC only enters into OTC contracts with central clearing counterparties and financial institutions that are investment grade or with corporate entities where the exposure is secured by some form of collateral.

RISK MONITORING AND MEASUREMENT

Credit risk in derivatives is based on the marked-to-market value and *Potential Future Exposure* (**PFE**) of the derivative. The PFE reflects a potential future change in marked-to-market value during the remaining lifetime of the derivative contract. For financial institutions, separate limits for credit risk are in place, based on the external credit rating. For corporate clients, NIBC enters into a derivative transaction as part of its overall relationship with the client. The credit approval process for these derivatives is closely linked to the credit approval process of the loan. Limit-setting proposals for both financial institutions and corporate counterparties are reviewed in the TC. For financial institutions, collateral postings under a CSA are taken into account. In 2024, NIBC continued the common practice to offset assets and liabilities with central clearing members. Derivatives with the same characteristics, being counterparty, maturity bucket and currency are netted for disclosure purposes. For corporate counterparties, both the loan and derivative are treated as a single package whereby the derivative often benefits from the security/collateral supporting the loan exposure.

COLLATERAL

NIBC enters into bilateral collateral agreements with financial institutions to mitigate credit risk in OTC derivatives by means of CSAs. Positive marked-to-market values can be netted with negative marked-to-market values and the remaining exposure is mitigated through bilateral collateral settlements (as in the following tables). Accepted collateral is mainly cash collateral, which is usually exchanged on a daily basis. The primary counterparties in these CSAs are large international banks with ratings of 'A' or better. NIBC generally carries out daily cash collateral exchanges to account for changes in the market value of the contracts included in the CSA.

Terms and conditions of these CSAs are in line with general ISDA credit support documents. Collateral from CSAs significantly decreases the credit exposure on derivatives, as presented further below under the Standardised Approach Counterparty Credit Risk (**SA-CCR**).

Derivative exposure including netting and collateral (SA-CCR:EAD), 31 December 2024

In EUR millions	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	NR	Total
Financial institutions	-	1	77	0	-	-	-	-	-	-	-	**78**
Corporate entities	10	-	1	79	12	0	-	24	-	-	-	**126**
Total	**10**	**1**	**77**	**79**	**12**	**0**	**-**	**24**	**-**	**-**	**-**	**204**

Derivative exposure including netting and collateral (SA-CCR:EAD), 31 December 2023

In EUR millions	AAA	AA	A	BBB	BB	B	CCC	CC	C	D	NR	Total
Financial institutions	-	-	101	-	-	-	-	-	-	-	-	**101**
Corporate entities	11	-	1	104	16	1	-	28	-	-	-	**161**
Total	**11**	**-**	**102**	**104**	**16**	**1**	**-**	**28**	**-**	**-**	**-**	**262**

VALUATION OF CORPORATE DERIVATIVES (CREDIT AND DEBT VALUE ADJUSTMENTS)

CVA and DVA are incorporated into 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 solid collateral agreement where cash collateral is regularly exchanged, mitigating the credit risk. In practice, this means that CVA and DVA are only applied to OTC derivative contracts that generate credit risk on corporate (i.e. non-financial) counterparties. For corporate derivatives NIBC's strategy is to hedge its position with transactions with reputable financial institutions.

ARREARS

NIBC applies a threshold for determining whether a derivative carries a non-material arrear. The criteria for this threshold are the same as for the portfolio of corporate loans. If amounts in arrear fall below the threshold (EUR 100,000), they are considered insignificant and are therefore excluded. The application of the threshold does not influence the total arrears for 2024 and 2023.

There were no amounts in arrear for derivatives with financial institutions at 31 December 2024 and at 31 December 2023.

Interest Rate Risk in the Banking Book (audited)

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 the net interest income.

NIBC Holding's banking book consists of:

- Corporate treasury
- Commercial treasury
- Mortgages
- Asset Based Finance
- Non-Core Activities

Risk appetite

The risk appetite for IRRBB is medium. From an economic value perspective the risk appetite 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 one-year 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 risk controlled 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 BPV as displayed in the tables represents the sensitivity of the market value to a one-basis-point, parallel upward shift of the underlying 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 four years of 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 calculation is based on historical data.

In measuring BPV and VaR for the Banking Book the (credit) spreads have been excluded from cash flows 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.

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 utilisation are reported to the ALCO once every month. Any major breach of IRRBB limits is reported to the CRO immediately.

Interest rate risk

NIBC's lending activities are predominantly in EUR, GBP and USD. As part of its risk management processes, NIBC enters into interest rate swaps in these currencies which results in an interest rate position. This translates into the IRRBB.

At 31 December 2024, the Mortgage loan book has a size of EUR 14 billion. For the Mortgage Loan portfolios notional hedging is applied to hedge the interest rate risk.

The Corporate Treasury book contains mainly the funding activities of NIBC. The Liquidity portfolio, Collateral portfolio and Debt Investments portfolio are part of the Banking Book and consist mainly of debt investments in financial institutions and securitisations.

The following tables illustrate (in EUR) the interest rate sensitivity for EUR, USD and GBP in the interest rate position and remaining Banking Book at 31 December 2024 and 2023. For other currencies, the interest rate risk is minimal. The Earnings perspective numbers are the result of applying a gradual 200 bps upward shift of interest rates. The decrease in the BPV is mainly driven by a lower sensitivity in the interest rate position and the Mortgage Loan portfolios. The total EaR exposure increased partially due to a slight decrease in the interest position.

Interest rate statistics Banking book, 31 December 2024

	Economic value perspective (BPV)			Earnings perspective (EaR)		
in EUR thousands	Interest rate position	Other	Total	Interest rate position	Other	Total
EUR	(198)	(33)	(231)	(5,909)	20,717	14,808
USD	-	(3)	(3)	-	(193)	(193)
GBP	(1)	(16)	(17)	(166)	(594)	(760)
Other	-	(2)	(2)	-	287	287
TOTAL	**(199)**	**(53)**	**(253)**	**(6,075)**	**20,216**	**14,141**

Interest rate statistics Banking book, 31 December 2023

	Economic value perspective (BPV)			Earnings perspective (EaR)		
in EUR thousands	Interest rate position	Other	Total	Interest rate position	Other	Total
EUR	(176)	(78)	(254)	(2,906)	17,234	14,328
USD	-	(15)	(15)	-	75	75
GBP	(4)	(16)	(20)	(390)	(1,044)	(1,435)
Other	-	(3)	(3)	-	143	143
TOTAL	**(180)**	**(112)**	**(292)**	**(3,296)**	**16,407**	**13,111**

From the economic value perspective more detailed statistics with respect to the interest rate position are presented in the following table.

Interest rate statistics interest rate position

	2024		2023	
in EUR thousands	Interest rate BPV	Interest rate VaR	Interest rate BPV	Interest rate VaR
Max[1]	(250)	2,875	(322)	3,523
Average	(219)	2,532	(258)	2,938
Min[2]	(174)	2,226	(180)	2,246
YEAR-END	**(199)**	**2,292**	**(180)**	**2,286**

1 Max: value farthest from zero
2 Min: value closest to zero

In the following table the interest BPV statistics of the Banking Book are presented. Credit spreads were excluded from the calculation, in line with EBA guidelines.

Interest rate BPV statistics Banking book

	2024		2023	
in EUR thousands	Banking Book	Banking Book excluding interest rate position	Banking Book	Banking Book excluding interest rate position
Max[1]	(462)	(235)	(663)	(365)
Average	(334)	(115)	(479)	(221)
Min[2]	(171)	(7)	(241)	(22)
YEAR-END	**(253)**	**(53)**	**(292)**	**(112)**

1 Max: value farthest from zero
2 Min: value closest to zero

Market risk (audited)

NIBC defines market risk as:

- the risk of losses in the Trading book arising from adverse movements in market rates;
- the risk of losses in the Banking Book from credit spread risk position; and
- 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.

The Trading book is subject to interest rate risk only. In the Trading book NIBC takes short-term positions in the EUR, GBP and USD yield curves. This book also contains interest rate risk related to derivative transactions of NIBC's clients.

Risk appetite

The risk appetite for market risk is low. For all market risk types limits are set and monitored on a daily 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. 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.

Interest rate risk and credit spread risk

Money Markets & Trading contains plain vanilla interest rate derivatives only.

Interest rate statistics Trading book NIBC

	2024		2023	
in EUR thousands	Interest rate BPV	Interest rate VaR	Interest rate BPV	Interest rate VaR
Max[1]	6	62	13	163
Average	(0)	40	2	67
Min[2]	(0)	28	0	36
YEAR-END	**5**	**43**	**5**	**49**

1 Max: value farthest from zero
2 Min: value closest to zero

NIBC's Banking Book has credit spread risk resulting from the debt investments it holds for liquidity purposes as well as posting collateral to other financial institutions. These instruments are classified as debt investments at fair value through other comprehensive income or debt investments at fair value through profit or loss.

Credit spread risk statistics Banking book

	2024		2023	
in EUR thousands	Credit spread BPV	Credit spread VaR	Credit spread BPV	Credit spread VaR
Liquidity / Collateral	(303)	2,222	(156)	1,471
Structured Credits	(17)	1,391	(18)	1,420

Currency risk

NIBC manages its overall currency position based on the currency positions in the monthly balance sheets. The material 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 31 December 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 EUR 0.2 million at 31 December 2024.

Furthermore, the impact of a reasonably possible yearly change (in absolute terms) of EUR against other currencies was calculated. At 31 December 2024 the sum of the absolute values of the impact for all currencies is equal to around EUR 0.3 million for NIBC.

Liquidity Risk (audited)

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

Maintaining a sound liquidity position and funding profile is one of NIBC's most important risk management objectives. NIBC analyses and manages its liquidity position and expected development thereof by mapping all assets and liabilities into time buckets that correspond to their expected maturities and taking into account the strategic goals of the bank. Based on the asset and liability maturity profiles several liquidity stress tests are prepared and presented monthly to the ALCO, in order to create continuous monitoring of the liquidity position.

ASSUMPTIONS

NIBC uses three liquidity stress scenarios: a market-wide stress, an institution-specific stress and a combined stress scenario. The main assumptions made in these scenarios are:

- Significant retail funding outflow;
- No access to wholesale funding;
- Lower loan prepayments;
- Additional draw downs on committed credit lines;
- Additional collateral outflows;
- Limited access to ECB funding;
- Bank rating downgrade.

The stress tests are used to determine the survival period. The survival period is the period the liquidity position remains positive in stress. The survival period was consistently above 12 months in 2024.

The projection of NIBC's liquidity in this way is necessarily a subjective process and requires management to make assumptions about, for example, the fair value of eligible collateral and potential outflow of cash collateral placed by NIBC with derivative counterparties.

In light of these projections, NIBC is confident that sufficient liquidity is available to meet maturing obligations over the next 12 months.

Maturity transformation is part of the business model of NIBC and NIBC has a robust liquidity risk management framework in place to mitigate our liquidity risks. NIBC's retail deposits have proven to be a very stable funding source over time.

MATURITY CALENDAR CONSOLIDATED FINANCIAL POSITION

The following tables present the cash flows payable by NIBC in respect of non-derivative financial liabilities relevant for liquidity risk by the remaining contractual maturities at 31 December. The amounts disclosed in the tables for the non-derivative financial liabilities are contractual future undiscounted cash flows excluding interest. Financial liabilities at FVtPL are therefore restated to future nominal amounts. The financial assets relevant for managing liquidity risk are based on the fair value (discounted cash flows) for those assets which are classified at fair value and carrying value for the assets classified at amortised cost.

NIBC expects the cash flows to be in line with the contractual cash flows. Expected prepayments within the coming 12 months within the Mortgage Loan and Corporate Loan portfolios are disclosed in respectively note 18 Mortgage loans at amortised cost and note 19 Corporate loans at amortised cost.

LIQUIDITY MATURITY CALENDAR, 31 DECEMBER 2024

in EUR millions	Not dated	Payable on demand	Due within three months	Due between three and twelve months	Due between one and five years	Due after five years	Total
Liabilities (undiscounted future cash flows)							
Due to other banks	-	7	0	12	34	-	**53**
Deposits from customers	-	6,490	2,424	3,147	680	95	**12,837**
Debt securities in issue	-	-	58	1,068	4,767	1,602	**7,495**
Tax liabilities	-	20	-	0	-	-	**20**
Provisions	-	4	-	-	-	-	**4**
Accruals and other liabilities	-	-	-	83	-	-	**83**
Subordinated liabilities	-	-	50	-	56	345	**452**
Total liabilities (excluding derivatives and interest cash flows)	**-**	**6,522**	**2,532**	**4,309**	**5,537**	**2,043**	**20,943**

in EUR millions	Not dated	Receivable on demand	Due within three months	Due between three and twelve months	Due between one and five years	Due after five years	Total
Assets (carrying value)							
Cash and balances with central banks[1]	194	2,901	-	-	-	-	**3,096**
Due from other banks	85	513	0	-	-	-	**598**
Debt investments at fair value through other comprehensive income	-	-	57	132	736	250	**1,174**
Debt investments at fair value through profit or loss	11	-	-	-	-	-	**11**
Mortgage loans at amortised cost	-	-	10	29	314	13,269	**13,622**
Corporate loans at amortised cost	-	-	148	483	2,750	714	**4,096**
Loans at fair value through profit or loss	-	-	27	60	9	-	**96**
Lease receivables	-	-	1	-	-	-	**1**
Equity investments (including investments in associates)	115	-	-	-	-	-	**115**
Investment property	24	-	-	-	-	-	**24**
Property and equipment	26	-	-	-	-	-	**26**
Other assets	-	-	-	5	-	-	**5**
Total assets relevant for managing liquidity risk at fair value (excluding derivatives and interest cash flows)	**455**	**3,415**	**242**	**710**	**3,810**	**14,232**	**22,864**

1 EUR 194 million relates to the balance held at central banks due to the mandatory cash reserve.

LIQUIDITY MATURITY CALENDAR, 31 DECEMBER 2023

in EUR millions	Not dated	Payable on demand	Due within three months	Due between three and twelve months	Due between one and five years	Due after five years	Total
Liabilities (undiscounted future cash flows)							
Due to other banks	-	13	(0)	300	44	-	357
Deposits from customers	-	5,698	1,614	3,481	817	70	11,679
Debt securities in issue	-	-	215	472	5,335	2,132	8,154
Tax liabilities	-	-	-	-	0	-	0
Provisions	-	-	-	-	5	3	7
Accruals and other liabilities	-	-	-	90	-	-	90
Subordinated liabilities	-	-	-	-	61	260	321
Total liabilities (excluding derivatives and interest cash flows)	**-**	**5,711**	**1,829**	**4,343**	**6,262**	**2,465**	**20,609**

in EUR millions	Not dated	Receivable on demand	Due within three months	Due between three and twelve months	Due between one and five years	Due after five years	Total
Assets (carrying value)							
Cash and balances with central banks	-	1,994	-	-	-	-	1,994
Due from other banks	108	443	0	-	-	-	551
Debt investments at fair value through other comprehensive income	-	-	59	130	631	77	897
Debt investments at fair value through profit or loss	11	-	-	-	-	-	11
Mortgage loans at amortised cost	-	-	11	28	220	12,652	12,911
Corporate loans at amortised cost	-	-	241	426	3,363	859	4,889
Loans at fair value through profit or loss	-	-	30	115	8	-	153
Lease receivables	-	-	22	108	870	281	1,281
Equity investments (including investments in associates)	124	-	-	-	-	-	124
Investment property	24	-	-	-	-	-	24
Property and equipment	145	-	-	-	-	-	145
Current tax assets	4	-	-	-	-	-	4
Other assets	-	-	-	30	-	-	30
Total assets relevant for managing liquidity risk at fair value (excluding derivatives and interest cash flows)	**416**	**2,437**	**363**	**838**	**5,091**	**13,869**	**23,013**

LIQUIDITY MATURITY CALENDAR OF DERIVATIVES, 31 DECEMBER 2024

LIQUIDITY MATURITY CALENDAR DERIVATIVES

The following tables present the derivative financial instruments that will be settled on a net basis into relevant maturity classes based on the contractual maturity date at 31 December 2024 and 2023. The amounts disclosed in the tables are the contractual undiscounted cash flows.

Liquidity maturity calendar of derivatives, 31 December 2024

in EUR millions	Less than three months	Between three months and one year	One to five years	Five years or more	Total
Derivatives held for trading					
Interest rate derivatives (net settled)					
Inflow	302	520	1,455	640	**2,917**
Outflow	(138)	(318)	(920)	(499)	**(1,875)**
Derivatives used for hedging					
Interest rate derivatives (net settled)					
Outflow	-	-	-	-	**-**
FX forwards					
Inflow	476	-	-	-	**476**
Outflow	(475)	-	-	-	**(475)**
Total inflow	**778**	**520**	**1,455**	**640**	**3,394**
Total outflow	**(613)**	**(318)**	**(920)**	**(499)**	**(2,350)**

Liquidity maturity calendar of derivatives, 31 December 2023

in EUR millions	Less than three months	Between three months and one year	One to five years	Five years or more	Total
Derivatives held for trading					
Interest rate derivatives (net settled)					
Inflow	338	731	1,742	677	**3,489**
Outflow	(160)	(313)	(892)	(496)	**(1,860)**
Derivatives used for hedging					
Interest rate derivatives (net settled)					
Outflow	-	(1)	(2)	-	**(2)**
FX forwards					
Inflow	424	-	-	-	**424**
Outflow	(430)	-	-	-	**(430)**
Total inflow	**762**	**731**	**1,742**	**677**	**3,912**
Total outflow	**(589)**	**(313)**	**(894)**	**(496)**	**(2,292)**

LIQUIDITY MATURITY CALENDAR OFF-BALANCE SHEET, 31 DECEMBER 2024

LIQUIDITY MATURITY CALENDAR OFF-BALANCE SHEET

The following table shows the contractual maturity of NIBC's contingent liabilities and commitments.

Each undrawn loan or capital commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

in EUR millions	Less than three months	Between three months and one year	One to five years	Five years or more	Total
Contract amount					
Committed facilities with respect to corporate loan financing	689	-	-	-	**689**
Committed facilities with respect to residential mortgages financing	625	-	-	-	**625**
Capital commitments	4	-	-	-	**4**
Guarantees granted	15	-	-	-	**15**
Irrevocable letters of credit	27	-	-	-	**27**
	1,360	**-**	**-**	**-**	**1,360**

LIQUIDITY MATURITY CALENDAR OFF-BALANCE SHEET, 31 DECEMBER 2023

in EUR millions	Less than three months	Between three months and one year	One to five years	Five years or more	Total
Contract amount					
Committed facilities with respect to corporate loan financing	1,001	-	-	-	**1,001**
Committed facilities with respect to residential mortgages financing	332	-	-	-	**332**
Capital commitments	8	-	-	-	**8**
Guarantees granted	24	-	-	-	**24**
Irrevocable letters of credit	31	-	-	-	**31**
	1,395	**-**	**-**	**-**	**1,395**

Other risk types

Country risk is the risk that an entity defaults due to political, social, economical or financial turmoil in its applicable jurisdiction(s). Country risk can potentially be an important cause of increased counterparty default risk since a large number of individual debtors could default at the same time. NIBC did not experience any counterparty defaults from this risk in 2024.

Non-financial risk

Operational risk means 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 reputation risk in its Operational Risk Managment Framework. NIBC is exposed to non-financial risk in its regular course of business. The operating environment should not lead to adverse surprises where NIBC aims to maintain a solid “license to operate” meaning that the financial stability of NIBC should not be compromised by non-financial risks. To achieve this, adequate internal processes, systems and personnel play an important role in safeguarding against potential losses from external events. This also means ensuring NIBC operates within laws and regulations as well as with integrity. NIBC has a vested interest in ensuring legal risks are addressed for assets that it owns as well as transactions it undertakes.

Non-financial risk is an integral part of NIBC's risk appetite framework. This framework encompasses a number of metrics across the non-financial risk spectrum which are continuously monitored and reported in various committees. Regulatory, Compliance (including integrity, client due diligence and anti-money laundering), Operational risk, and Legal risks are the main pillars of the non-financial risk appetite. These cascades into more granular topics. This includes amongst others, items such as internal and external fraud as well as IT related incidents, information security, process risk, third party risk and data privacy. NIBC has a low appetite for non-financial risk and determines its risk appetite accordingly.

NIBC’s Operational Risk Management (ORM) department provides a framework to identify and mitigate non-financial risk to a level that falls within the bank’s risk appetite. This framework contains the following key elements:

- A structured risk identification based on a risk catalogue;
- Controls to mitigate risks and control testing to evidence their effectiveness;
- A semi-annual In Control process based on a Risk Control Self Assessment to establish the ‘in-control’ status of all departments as well as the organisation as a whole.

In addition to this, a new product approval and review process is in place to adequately manage the non-financial risk related to new product introductions.

Information Security provides a policy framework for NIBC to effectively manage the IT-related risks in such a way that it also complies with relevant regulations and sets a framework for business continuity and resilience.

Digital Operational Resilience Act
The Digital Operational Resilience Act (DORA) is a regulation that was introduced by the European Union on January 16, 2023, and is enforced from January 17, 2025. It aims to increase the digital resilience of the European financial market and requires firms to ensure that they are more resilient to ICT-related disruptions and threats.

NIBC started preparations for DORA in 2023, and the regulation is now integrated in internal policies and standards. Gap assessments to the act and the technical standards were performed and gaps have been largely closed. Amongst others, enhancements were made to the IT asset library (CMDB) and the Incident Management process. Further gaps are being closed. Also, requirements for ICT third-party service providers have been strengthened. Following this, NIBC is amending the related contracts, with the aim to make these contracts compliant with the regulation. NIBC also implemented the required Register of Information. This is a comprehensive record detailing, among other things, all ICT third-party service providers that support NIBC's operations.

Fraud risk
NIBC acknowledges the existence of fraud risk, which can arise from either internal or external events. The risk can lead to damages like financial loss, regulatory implications and/ or reputation damage. NIBC has a fraud risk assessment in place to identify and monitor these events.

External fraud events are inherent to the nature of our business, and are concentrated in our mortgage business, where they generally relate to incorrect loan applications. NIBC is consistently striving to enhance its capacity to identify external fraud risks as early as possible in its client onboarding processes in an efficient and effective manner. As one of the ways to achieve this, we review events and continuously improve our acceptance criteria.

Sustainability Statement

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Introduction to Sustainability at NIBC

At NIBC, our ambition is to enable the sustainability transition of our clients by financing the required investments to improve the sustainability of their assets. We believe it is of importance to be a sustainable business for the benefit of future generations.

As a bank that takes its environmental, social and governance responsibilities seriously, we focus on the impacts and risks related to our business activities and pursue opportunities where possible. Attention to sustainability enables NIBC to address changing customer needs. Developing products and services with potential future impacts in mind enables us to support our customers in mitigating their risks. Additionally, as a regulated bank, we are aware of our responsibility in helping to ensure a resilient financial system, foster a just transition, set a good example and maintain trust in our industry.

2024 Highlights

- Reduction of 62% financed emissions from 2023, total reduction of 93% achieved compared to 2019 baseline
- Sustainability Statement voluntarily prepared in accordance with the European Sustainability Reporting Standards (ESRS)
- Refinement of NIBC Climate Action Plan
- Green Asset Ratio NIBC Bank N.V. (GAR) of 11.6%
- High participation of 85% in the annual Employee Engagement Survey for 2024

Hereafter we present an Index of material disclosures. This index serves as an overview of all relevant ESRS disclosure requirements which are disclosed in this Sustainability Statement.

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General Basis of Preparation [BP-1]

Unless specified otherwise, the sustainability disclosure includes environment, social and governance (ESG) figures and information for NIBC Holding N.V. including its international offices and wholly owned subsidiaries established by NIBC for our business purposes as reported in our Consolidated Financial Statements: Information on Principal subsidiaries. NIBC did not include Beequip nor yesqar in any of its 2024 ESG metrics or ratios, as these were sold during 2024. This disclosure covers NIBC's upstream and downstream value chain. This is further described in Sustainability strategy, business model and value chain [SBM-1], Interests and views of stakeholders [SBM-2] and Materiality [SBM-3].

The Sustainability Statement and any other related sections in our 2024 Annual Report explicitly incorporated by reference (visible as per Incorporation by reference) have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission. Despite the Dutch implementation of the Corporate Sustainability Reporting Directive (CSRD) is still pending, NIBC has voluntarily chosen to prepare this Sustainability Statement in accordance with the CSRD and the associated ESRS. CSRD is a regulatory framework established by the EU to enhance and standardise sustainability disclosures to be in line with the reporting framework as laid down in the ESRS. As this is the first year in which this Sustainability Statement has been prepared, the scope and substance of the disclosures have been changed versus the 2023 Annual Report. Where metrics have been reported in previous year the comparative information is included. NIBC makes use of the transitional provisions for the first year in accordance with ESRS 1 for newly presented metrics.

Overall, for NIBC the principal regulatory requirements are contained in the Dutch Banking Code and the Dutch Decree on disclosure of non-financial information (Besluit bekendmaking niet-financiële informatie), which came into effect on 24 March 2017 as part of the transposition into Dutch law of the EU Non-Financial Reporting Directive (NFRD) (2014/95/EU, OJ L330/1). For NIBC Bank N.V. also the EU Taxonomy Article 8 of Regulation (EU) 2020/852 is relevant.

This Sustainability Statement also represents information for communicating on progress to the UN Global Compact (UNGC) and therefore supports NIBC's long-time commitment to UNGC's Ten Principles on human and labour rights, environment and anti-corruption.

DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES [BP-2]

The content of this Sustainability Statement and the subjects and related data points that have been reported are based on the outcome of our double materiality assessment (DMA) and relevant legal and regulatory requirements. The DMA determines the material impacts, risks and opportunities (IROs) of our activities on people and the environment which must be disclosed under ESRS. Although NIBC has performed materiality assessments in earlier years to support disclosures, our 2024 Annual Report is the first to be based on a DMA.
Material topics and subtopics provide the main content of our disclosure for 2024.

Time horizons

The time horizons considered in this Sustainability Statement are short-term (<1 year), medium-term (1 to 5 years) and long-term (> 5 years) unless otherwise stated alongside a disclosure or metric.

Sources of estimation and uncertainty

Sustainability impacts, risks and opportunities are uncertain, most likely will materialise over time and are difficult to predict in terms of their likelihood, breadth and severity. Therefore, we have prepared the forward-looking statements within this disclosure to the best of our knowledge and ability. Readers of this report are advised that actual future results may therefore differ from our targets, estimates and assumptions.

Sustainability data is inherently less mature than traditional financial data. Proxies and third-party sources are used to provide estimates and support assumptions in our sustainability disclosures. NIBC will continue to be dependent on external sources and external techniques for the foreseeable future in regard to emissions and sustainability risks. Because, in many cases value chain data required for CSRD is not available directly from clients or suppliers. Nearly all of our corporate clients are, currently, not required to disclose sustainability impacts, risks or opportunities or metrics under NFRD or CSRD. In other cases, the data received is not yet reliable enough to use in NIBC's reporting.

The most prominent metrics that are calculated using estimates include the Greenhouse gas emissions as presented in Greenhouse gas (GHG) Emissions [E1-6]. In addition, sustainability risk metrics are broadly dependent on third party sources and measurement techniques to estimate potential future risks and are further described in Potential financial effects related to climate change [E1-9]. For some metrics related to our own workers (S1) (training hours and emissions related to commuting) and related to our customers and end-users (S4) (client satisfaction) a voluntary questionnaire was sent out to the respective group. The outcome of these metrics are therefore also using estimates. For further information on estimates, please refer to the Definitions of Sustainability Indicators which provides the specifications for the used metrics in the Sustainability Statement including indication if this concerns an estimation as well as describes the data and method used.

The data and methods used to determine our figures are likely to continuously improve given that sustainability related regulations may result in more standardisation across the market. Also as we aim to source value chain data directly from our customer and business relationships in the future, quality of data is likely to continue to gradually improve over time.

We aim to be transparent in any changes in underlying data or assumptions to explain movements in our disclosures. Prior years information and other comparative figures are stated as they were previously reported and have not been adjusted for CSRD unless otherwise indicated.

Incorporation by reference

Certain ESRS disclosure requirements are closely linked to other disclosure requirements such as the Accounting Directive and the Corporate Governance Code. These requirements are therefore not included in the Sustainability Statement, but in other relevant sections of this Annual Report:

ESRS disclosure incorporated by reference	Reference
NIBC value chain	
■ Strategy and Performance: SBM-1	Creating long-term value
The role of the management and supervisory bodies	
■ Supervisory Board: GOV-1 20a/c, 21, 23	Composition of the Supervisory Board and Supervisory Board Skills and Expertise
■ Management Board: GOV-1 20c, 21c	Composition of the Managing Board and Managing Board Skills and Expertise
Policies overview	
■ MDR-P, E1-2, S1-2, S4-2, G1-2	NIBC Policies
Datapoints derived from other EU legislation	
■ IRO 2 - 56	ESRS 2 Appendix B EU legislation data points

Sustainability governance

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.

GOVERNANCE STRUCTURE [GOV-1]

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.

The composition of our Managing Board and Supervisory Board, classification of members, their responsibilities, expertise and their profiles is detailed in the Managing Board Skills and Expertise and the Supervisory Board Skills and Expertise. Additional descriptions may also be found on NIBC's website.

Members of our boards bring a diverse range of experience and knowledge in areas such as finance, risk management, technology, governance, compliance, and sustainability. This diversity helps in thoroughly understanding and addressing sustainability challenges and opportunities. NIBC provides education for its board members to ensure that they remain well-informed and capable of making strategic decisions related to sustainability. This includes thematic education sessions, such as the Permanent Education sessions also provided to the Supervisory Board, but also expertise and knowledge shared in the recurring interaction with business teams when updates to strategy are presented or in case of Transition plans.

Integration in our operations

The NIBC sustainability agenda is led by a dedicated full-time senior Sustainability Officer who is responsible for catalysing sustainability and corporate social responsibility within the organisation. The officer reports to NIBC's Chief Financial Officer (CFO).

As part of the sustainability agenda, sustainability matters are monitored and reported periodically to the Managing Board and the Supervisory Board. This includes reporting on impacts, risks and opportunities on an at least an annual basis as this is reflected in our Annual Report. For 2024 these are described in Materiality [SBM-3]. The Audit Committee (AC) monitors the sustainability reporting to make sure it meets the requirements and is of expected quality and completeness. On risk related matters specifically, these are reported to the Risk Policy & Compliance Committee (RPCC) which oversees and monitors risk appetite, risk profile and risk policy & compliance. The mandates of these committees are further described in their respective charters which are shared on our website.

The Managing Board members discuss and advise or decide on ESG strategy, ambition, targets, planning and budget. The Managing Board is also responsible for policies that impact NIBC's culture and ethics, such as the Code of Conduct. 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) will be 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.

MONITORING ON SUSTAINABILITY TOPICS [GOV-2]

Updates on sustainability matters are provided on a quarterly basis to our Supervisory Board. Our Managing Board receives formal periodic updates on at least the same but in 2024 on more frequent basis. Next to the formal reporting processes, sustainability-related initiatives and developments are frequently on the

Managing Board agenda. This reporting structure allows both boards clear oversight of NIBC's performance and its related IROs.

During 2024, both boards were involved in NIBC's preparations for CSRD. Members considered and discussed NIBC's double materiality assessment, sustainability related impacts, risks and opportunities and their effect on NIBC's strategy across time horizons. Extra focus was also given to refinements to NIBC's Climate Action Plan and targets. These are further presented in Climate Change [E1].

INCENTIVE SCHEMES [GOV-3]

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 disclosure focuses 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 .

For 2024 the Managing Board's performance has not been assessed against specific sustainability-related targets and/or impacts. During 2024, further progress was made to integrate sustainability related considerations in the individual MB member performance targets. The CEO and the other members of the Managing Board are not eligible for an annual performance based variable compensation. Therefore, the proportion of variable compensation related performance to sustainability-related targets and/or impacts is 0%.

While NIBC has set decarbonisation targets and made considerable progress in relation to those, NIBC evaluates Managing Board members on the basis of the broader contribution of achieving sustainability goals alongside financial and operational performance rather than on specific reduction metrics being achieved.

Managing Board performance is reviewed and approved by the Supervisory Board Remuneration and Nominations Committee (RNC).

SUSTAINABILITY DUE DILIGENCE [GOV-4]

NIBC's sustainability due diligence process is designed to evaluate and manage sustainability impacts, risks and opportunities associated with its business activities, particularly in lending and investment decisions. This process aims to ensure that business decisions are aligned with the sustainability strategy and aims to support clients and business partners in their responsible business practices. The due diligence table shows the section in the Sustainability Statement that contain the core elements of our due diligence process.

Sustainability due diligence is applied with reasonableness and proportionality, taking into account the size and capacity of a company, the complexity of its operations and supply chain, and the likelihood and materiality of potential adverse impacts. Due diligence involves stakeholder engagement to understand changing societal concerns, to identify best practices, to develop effective policies and to monitor performance in regard to sustainability matters.

We conduct compliance due diligence checks on all of our customers to ensure they are not involved in corrupt activities and have client monitoring systems which scan customers in real time. For example, our Customer Due Diligence (CDD) procedures identify Politically Exposed Persons (PEPs) since they may be at higher risk of untoward influence. NIBC reports any suspicious transactions to relevant authorities when needed in accordance with our obligations.

For corporate lending and investment transactions, NIBC performs sustainability risk screening which includes evaluating the sector and geographic risk of the client/asset as certain activities and regions which may pose higher sustainability risks. The result of the screening may include not further engaging on a potential transaction, requiring further information or requiring conditions to be met by a client to mitigate such risks. These processes ensure decision-making processes are well-informed and can consider and address material impacts, risks and opportunities. During 2024, additional steps were taken to refine our alignment of these processes across growing supervisory expectations and CSRD requirements.

Sustainability due diligence information is also collected and further evaluated as part of client questionnaire processes. These questionnaires are tailored to each asset class and the specific characteristics and requirements within each asset class. For mortgage customers, we rely on data from national registers and scientific bodies. Material findings from due diligence processes are included in transaction proposals and credit reviews, enabling informed risk decision making and monitoring. In cases where possible material risks are identified, subject matter experts are invited to give deeper analysis and provide advice to our origination teams and decisioning committees.

For vendors and suppliers, NIBC prioritises sustainability due diligence for our most material vendors. This is one of many topical areas which are integrated into NIBC's outsourcing assessment process and procedures.

Core elements of due diligence	Relevant sections in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	■ Sustainability strategy, business model and value chain [SBM-1] ■ Sustainability Due Diligence [GOV-4] ■ Potential Financial effects related to climate change [E1-9] ■ Sustainability and Compliance policies
Engaging with affected stakeholders in all key steps of the due diligence	■ Interests and view of stakeholders [SBM-2] ■ Employee engagement and representation [S1-2] ■ Processes for engaging with consumers and end-users about impacts [S4-2] ■ Supplier screenings
Identifying and assessing adverse impacts	■ ESG and Anti-Money Laundering risk management ■ Materiality [SBM-3] ■ Processes for engaging with consumers and end-users about impacts [S4-2] ■ Preventing and detecting corruption and bribery (G1-3) ■ EU Taxonomy ■ Integration in daily practice (G1-1)
Tracking the effectiveness of these efforts and communicating	■ Client satisfaction ■ Employee engagement and representation [S1-2] ■ Integration in daily practice (G1-1) ■ Materiality [SBM-3] ■ Interests and view of stakeholders [SBM-2]

RISK MANAGEMENT AND INTERNAL CONTROLS ON SUSTAINABILITY REPORTING [GOV-5]

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.

NIBC is reporting many of the sustainability indicators for the first time. The main risks identified would therefore be (1) errors in (calculated or estimated) data or incomplete reporting on material topics or (2) not meeting the CSRD/ESRS requirements or those of other relevant legislation. In developing our 2024 Sustainability Statement, NIBC has therefore strengthened internal controls related to sustainability data gathering and disclosure. These steps help to prevent misleading statements and incorrect or inaccurate information from being reported.

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.

NIBC's Managing Board has set a tone from the top which establishes the importance of ethical behaviours and internal controls. The Managing Board and Supervisory Board have overseen the implementation of CSRD and monitored progress in accordance with the governance and oversight responsibilities. Detailed updates on progress, timelines and key milestones have been provided on a regular, and at a minimum quarterly, basis during our preparations.

Internal control over sustainability data

To mitigate the identified risks, data definitions, data sources, controls and policies (where relevant) have been identified and documented for each quantitative sustainability indicator. Process templates were developed to help support business units to ensure completeness, accuracy and availability of data. Methodologies have been drafted to help ensure alignment with leading standards. Data definitions have been added to or adjusted and shared with our Data Management team. This helps to ensure data quality and consistency and is one of many steps in NIBC's Finance, Risk and IT domains to establish "single sources of truth" for data within NIBC.

As part of our implementation, NIBC has put in place both manual and automated controls. We expect to complete additional steps in terms of automation in the future, therefore automated controls are likely to become increasingly prevalent as we progress.

Experts within our Regulatory Affairs team have been informed of and have monitored the requirements, definitions and/or controls which have been applied. NIBC's Operational Risk Management team has reviewed the overview of controls and steps taken to incorporate CSRD in our "in control" processes with relevant business units. NIBC's Internal Audit team is responsible for internal assurance of the setup and functioning of NIBC's internal control framework. Sustainability matters including the implementation of CSRD have been discussed on a periodic basis with Internal Audit throughout 2024.

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.

Further information on our risk management and due diligence processes is described in ESG and Anti-Money Laundering risk management

Sustainability strategy, business model and value chain [SBM-1]

BUSINESS MODEL

As a mid-sized, specialised financial institution operating from the Netherlands, the United Kingdom, Germany and Belgium, we are differentiated from other banks in the markets we serve, in the product mix that we offer, in the granularity of our portfolios, and in our ability to adapt to changing market circumstances. This is also further described in the **Vision and Strategy** section.

NIBC offers asset-based financing to retail and corporate customers across North Western Europe. Our core retail products and services are personal savings accounts and mortgages. Our core corporate asset classes are real estate and digital infrastructure. With 622 employees (head count) end of period 2024, we serve around 500,000 retail clients and over 250 corporate clients from four locations.

Unlike many other banks, NIBC does not have brick and mortar retail branches. We do not offer current accounts, credit cards, ATM cards, or other traditional high-volume transaction banking products. Our focused strategy and customer focus enables an efficient operation.

VALUE CHAIN

Our strategy is reflected in our value chain overview. Upstream activities include suppliers of goods and services . These goods and services include IT systems and software, professional services, and everyday goods that are required for the daily operations of NIBC. In an increasing digital age, ever improving technology and data capabilities allow us to offer a positive customer experience across our growing business segments. In addition to this, a solid funding and capital position is of importance to provide our services despite changes to the macro-economic environment that could have a bearing on NIBC or its clients. This requires strong relationships with retail saving clients, debt investors and shareholder.

Our employees are pivotal in creating value for our clients and other stakeholders. They are the human capital which drives engagement with our stakeholders and the development and delivery of products and services to our clients. And given the regulatory framework of a financial institution, they enable us to implement our strategy in a sound and trustworthy manner.

Driven by NIBC's corporate values of Professional, Adaptive, Collaborative and Entrepreneurial (PACE), this results in the ability to serve our clients across the markets and products that constitute the downstream activities in our value chain. In preparing this Sustainability Statement, we recognise that there is a broader context to take into account. This related to the upstream and downstream elements of the activities that we finance. They are important to consider as they can be a source of impact and risks. These include for instance the usage of raw materials or fossil fuels that are required to power the data centres we finance or to construct the building for which we provide the financial means. Similarly, as income is required to build a persons savings, fluctuations in income and personal developments are to be considered.

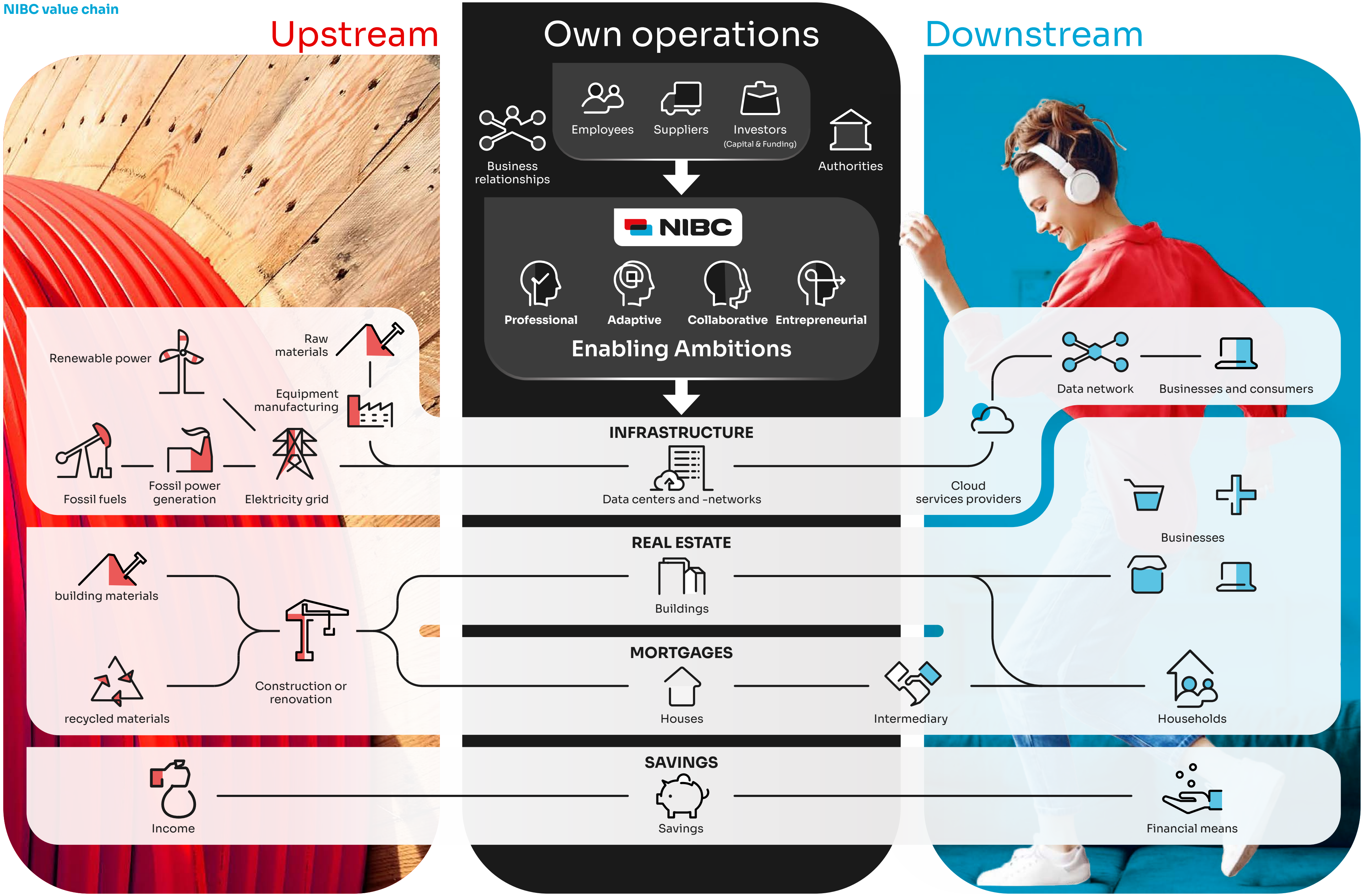
Our value chain also highlights our influence and ability to contribute to positive impacts. Such impacts range from supporting our clients by financing the investments needed to make their homes more sustainable, the ability to digitally conduct business around the world and facilitating financial resilience by using NIBC's savings products. In the end, serving our clients is reflected in our purpose of 'Enabling ambitions' and this is considered across the broader landscape of the value chain.

SUSTAINABILITY STRATEGY

Our sustainability strategy is guided by a common sense 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 value chain



Climate change is a main focal point of our sustainability strategy. Different activities and asset classes have different transition pathways to Net Zero, depending on available technologies, infrastructure, political developments, and regulatory change.

We are pursuing opportunities to support our clients and suppliers in their transition journey, to prevent adverse impacts, to mitigate and manage risks, and to pursue low carbon innovations as they progress along science-based decarbonisation pathways. Next to this, we engage with our customers to gain insights in how best to serve them, collect feedback and seek input on how to improve the customer journey at NIBC.

Our employees are a key element of our value chain. NIBC places emphasis on investing in their training and skill development and strives to facilitate a safe and pleasant work environment.

A strong governance framework is the basis for building strong relationships with our stakeholders. This includes business conduct, various measures to mitigate unwanted behaviour as well as establishing a solid sustainability risk management practice to mitigate risks where required.

During 2024 NIBC's senior management, Managing Board and Supervisory Board intensively discussed, directed and monitored actions set out in our sustainability strategy. As a company operating in a highly regulated sector, we are affected by changes in the political and regulatory environment. Based on developments in our business environment we will continue to revisit our strategy and refine where necessary to ensure a high level of business and operational resilience.

Interests and views of stakeholders [SBM-2]

NIBC recognises its responsibilities towards stakeholders, regularly engages with them and considers their interests in its day-to-day decisions and activities. Engaging with stakeholders in a proactive way and on a continuous basis is central to our business strategy and ambition to achieve sustainable growth.

We define stakeholders as any group or individual affected directly or indirectly by our activities. For our double materiality assessment we have expanded this to also consider readers of our Sustainability Statement. We have identified that our main stakeholders include clients, investors, regulators, employees, suppliers, and civil society organisations. We actively seek these connections to the world around us to ensure we reflect on our business, understand our impact and to continue to innovate. Our identified stakeholders, means of engagement and what their expectations are is detailed in the **Stakeholder engagement table**.

Our engagement with these groups takes place via different channels that range from ongoing dialogue to direct requests for feedback. To ensure our long-term success, we acknowledge the need to strike a careful balance between the interests of all our stakeholders. There was regular engagement across our stakeholder groups during 2024.

NIBC engages with stakeholders to gather open and honest feedback, to listen to their concerns and to ensure we continue to meet their needs. Informal dialogue often adds the clarity and insights needed to help us to take practical steps forward to address complex human rights and environmental issues.

INCORPORATING FEEDBACK

Stakeholder feedback influences our business strategy, how we identify and manage sustainability risks, and has shaped product development and pursuit of potential opportunities. The engagement ranges across all stakeholders and activities making that representatives of NIBC at all levels of the organisation and in all dimensions are involved in stakeholder engagement.

NIBC's Managing Board and Supervisory Board are regularly informed in regard to these activities, on a higher aggregate level. For example outcomes of our double materiality assessment have been shared and discussed with Managing Board and Supervisory Board members. And while Managing Board members themselves regularly engage with clients, investors, supervisors and authorities among other stakeholders, stakeholder feedback is most often implicitly shared to them as this is taken into account by NIBC’s business teams when changes are proposed to respective business plans, policies or when new products or services are being developed.

An example is the creation of the Lot mortgage label, which was based on feedback of customers and potential customers seeking a sustainable mortgage offering. The development of the Lot mortgage label has supported NIBC's strategy to attract new mortgage customers.

Stakeholder Engagement

Stakeholder Group	Frequency and type of engagement[1]	Topics and issues discussed 2024 (non-exhaustive)	Stakeholder Expectations	Outcomes
CUSTOMERS	• Client Surveys (A) • Due Diligence Questionnaires (A) • Call center (D) • Emails, meetings, presentations & calls (D) • Webinars (M) • Site visits (O)	• Customer satisfaction • Regulatory developments • Climate transition plans • Sustainability policies and performance • Value chains, value chain due diligence • Human rights • Privacy and cybersecurity	• Clear communications • Understandable mortgage and savings products • Specialised corporate banking solutions • Trustworthy provider • Flexibility when times are difficult	• Insight in client climate transition actions • Maintain high client satisfaction and experience • Inflows of savings deposits • New mortgage origination
INVESTORS	• Surveys (A) • Questionnaires (A) • Meetings, presentations & calls (M)	• Financial results • Financed emissions • Climate risk • Sustainability disclosures • Responsible business conduct • Whistleblowing mechanisms	• Attractive returns • Clear business strategy • Growth ambitions • Responsible business conduct • Compliance with applicable regulations	• Diversified investor base • Strengthened investor relationships and trust
REGULATORS & AUTHORITIES	• Supervisory discussions (M) • Audits, Quick scans, and onsite inspections (O) • Emails, meetings, presentations & calls (O) • Questionnaires and surveys (A)	• Financial results • Risk management • Governance • Climate as a driver of financial risk • Integrity • Discrimination • Greenwashing • Information security	• Compliance with applicable regulations and supervisory expectations • Good governance and control environment • Avoid any appearance of greenwashing	• Improved credit and sustainability ratings • Compliance with laws and supervisory expectations • Insights into regulatory developments and discussions
EMPLOYEES	• Works Council (M) • Meetings, townhalls and other events (D • Employee engagement survey (A) • Intranet posts and announcements (D)"	• Training & development • Artificial intelligence • Regulatory changes • Climate change • Responsible conduct • Whistleblowing	• Positive corporate culture • Good salary and conditions • Equal opportunities for employment, development and growth • Ability to raise concerns without fear of retribution	• High employee engagement • Speak up culture • Awareness of regulatory developments • Safe and (increasingly) diverse workplace • New training & development opportunities
SUPPLIERS, VENDORS AND BUSINESS PARTNERS	• Emails, meetings, presentations & calls (D) • Face-to-face meetings (M) • Due diligence Questionnaires and surveys (A)	• Sustainability standards • Regulatory developments • Information security • Artificial intelligence • Supply chain due diligence	• Responsible and reliable business partner • Clear contractual terms and conditions • Open dialogue	• Contribution to NIBC sustainability ambitions • Compliance with evolving laws and standards • Strong business partnerships and engagement
NGOS & CSOS	• Emails, meetings, presentations and calls (O) • Face to face meetings (A) • Industry fora (Q) • Surveys (A)	• Climate change • Financed emissions • Affected communities • Human rights • Tax transparency • Supply chain due diligence • Political risk	• Tangible actions contributing to emissions reductions • Respect for human rights • ESG policies guided by leading international standards	• Strengthened due diligence • Policy reviews and refinements • Improved reputation and trust • Indepth value chain insights • Addressing of the concerns of silent stakeholders

1 Frequency denoted as: (A) – Annual, (D) – Daily, (M) – Monthly, (Q) – Quarterly and (O) – Occasional

Furthermore as an example related to managing sustainability information, recent customer surveys indicated that mortgage clients are already taking steps to improve the energy efficiency of their homes but generally do not request a new energy label until the property is being sold. This signal is relevant since energy labels are used by banks as an important data point to determine and measure potential climate transition risk. This also applies to NIBC, as is discussed in Transition risks. In order to improve data quality, as part of our actions described in Key Actions in relation to climate change [E1-3] NIBC aims to promote updates of labels by clients.

The views of NIBC's stakeholders continue to evolve, influenced by the world around us via for instance macro and micro economic impacts. Our retail customers want to protect themselves amongst others against property devaluation and cost of living surges. Our corporate customers want to grow their businesses, retain their talented workforce and develop future-proof business models.

There is a rising expectation that financial and non-financial performance need to be in balance. At the same time, our stakeholders expect NIBC first and foremost to be a financially healthy company with strong risk management which protects the integrity of the financial system. And on top of that, they expect that NIBC strongly considers environmental concerns, human rights risks and good governance in its own operations and in its financings and investments decisions.

Materiality [SBM-3]

During 2024, NIBC carried out a double materiality assessment (DMA) based on requirements per the CSRD. This assessment covered two dimensions:

1. Impact Materiality (i.e. NIBC's impact on the environment or society through different environmental, social and governance topics); and
2. Financial Materiality (i.e. Impact of environmental, social and governance topics on NIBC's ability to generate enterprise value).

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.

OUR PROCESS

We analysed our business context to build a comprehensive set of potential material topics and a register of impacts, risks and opportunities (IROs) including those topics, sub topics and sub-sub topics which are prescribed within the ESRS.

This analysis was further enriched by research into external sources such as peer benchmarks, media analysis, stakeholder surveys, and international standards in order to comprehensively include those connected with NIBC's own operations and upstream and downstream value chain, including through our products and services, as well as through our business relationships. For further information on NIBC's sustainability due diligence processes please refer to the Sustainability due diligence [GOV-4].

Topics which have been considered material as a result of past assessments were also considered. A value chain analysis was performed and relevant stakeholder groups were identified, which are similarly shown in the **Stakeholder engagement table**. This was followed by engaging with several of these stakeholders, both internal and external or via their representatives, through in-depth interviews to refine and validate both the list of IROs and the potentially material sustainability matters. We believe that the approach to include stakeholders as part of the validation step, ensures that sufficient consideration was given to include all relevant angles in our register of IROs. Similarly we believe that the chosen representatives have the required insight and knowledge to represent the respective stakeholder group.

The resulting list of IROs was analysed and prioritised based on scope and likelihood. This involved applying a 5 point Likert-scale approach and assigning a score to each of the applicable metrics per IRO.

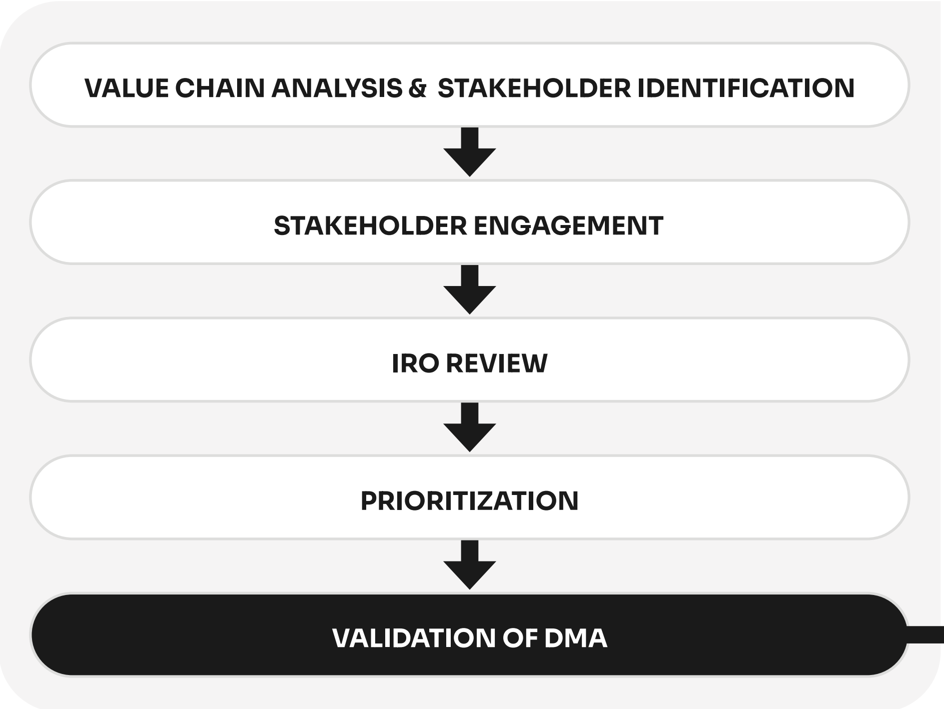
For impact materiality, the (actual or potential) severity of each identified impact is based on a scale of marginal (1) to critical (5) across these three elements:

- Scale – How beneficial are the positive effects or how severe are the negative effects of the impact.
- Scope – How widespread are the consequences of the impact for people and the environment .
- Irremediable character (for negative impacts only) – To what extent can the impacts be remediated.

For financial materiality, each identified (actual or potential) risk or opportunity is assessed on a scale of no financial impact (1) to critical (5) which aligns with our non-financial risk tables:

- Magnitude - How big is the potential financial impact on or for NIBC.

Determining materiality of topics



IMPACT AND FINANCIAL MATERIALITY

	ESRS TOPIC	IMPACT MATERIALITY	FINANCIAL MATERIALITY
E	CLIMATE CHANGE	MATERIAL	MATERIAL
S	OWN WORKFORCE	MATERIAL	NOT MATERIAL
S	CONSUMERS AND END-USERS	MATERIAL	MATERIAL
G	BUSINESS CONDUCT	MATERIAL	MATERIAL

LIST OF SUSTAINABILITY MATTERS AND IROs

ENVIRONMENTAL (E)

- Climate Change

SOCIAL (S)

- Own Workforce
- Consumers and end-users
  - Entity Specific: Client Satisfaction

GOVERNANCE (G)

- Business Conduct
  - Entity Specific: ESG and AML Risk management

The resulting score per IRO results from combining respectively the severity or magnitude with the likelihood of occurrence, the latter also as per our non-financial risk tables. The scoring was done by representatives of our Sustainability team and Finance departments. Potential negative impacts of current or future actions stemming from the implementation of our transition plans were also taken into consideration as part of the scoring. Stakeholder feedback and existing (operational) risk management frameworks were taken into account as part of the prioritisation process. To maintain a level of conservatism, the maximum score of each IRO was used to assess the materiality of the respective IRO.

Several thresholds were considered to determine material IROs, a final threshold was set based on appropriateness for NIBC. The resulting material IROs were mapped to ESRS disclosure requirements and are shown in Overview of material Impacts, risks and opportunities. The overall DMA outcome was discussed with and validated by NIBC's Managing Board and endorsed by NIBC's Supervisory Board.

Though NIBC has tried its utmost to identify and assess impacts, risks and opportunities that are or may become material to NIBC, our stakeholders or both, the process itself requires us to make key judgements and apply thresholds that filter out those that were not assessed as material, but our (individual) stakeholders may consider important in their own particular assessments. Additionally, the double materiality assessment and the outcomes thereof may be impacted in time by sector-specific standards that are currently being developed.

CHANGES VERSUS LAST YEAR AND RISK MANAGEMENT INTEGRATION

As a result of implementing CSRD at NIBC, the DMA marked a further improvement versus the materiality assessment as described in our 2023 Annual Report.

Primarily this resulted in both more breadth and depth in our IRO set, with IROs being identified and described on a more granular basis. Also the in-depth interviews with stakeholders was a further step towards elaborate interaction to include the views from stakeholders in our assessment. The interviews included risk management representation that allowed us to ensure that the identified impacts and risks are represented in our overall risk framework and sees adequate monitoring. The latter for instance via a regular discussion in our Risk Management Committee on sustainability risk and appetite. Lastly, the material topics have been assessed on a more detailed level as this also considers sub and sub-sub-topics per the ESRS reporting framework.

IMPACTS, RISKS AND OPPORTUNITIES AND OUR STRATEGY

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.

Via our DMA, material IROs were identified across our own operations as well as throughout our upstream and downstream value chain. The material IROs are grouped to the material topics identified during our DMA process. This overview shows that the resulting material IROs are concentrated in the downstream part of our value chain with our clients. Also, these IROs and material topics match the key areas of focus for NIBC's strategy and business model that are described in Sustainability Strategy. Per section the related IROs are repeated including their bearing on NIBC.

As there is not yet a standard for analysis of resilience of strategy and business models, NIBC has assessed this from several perspectives. NIBC conducts overarching operational resilience analysis across a short to medium term horizon in preparation for our ICAAP and ILAAP submissions to our supervisor. Environmental, social and governance topics are among those which are reviewed. 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 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.

For the conducted resilience analysis in relation to climate change, reference is made to Resilience in a changing world. For the IROs on other material topics, NIBC is of the opinion that its strategy and business model is sufficiently resilient to address the material impacts and risks and to capture the opportunities. Lastly, there are no current or anticipated financial effects from material IROs anticipated to result in material adjustments to the carrying value of our assets and liabilities in the short term i.e. next annual reporting period.

OVERVIEW OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

	Topic		Impact, Risk and Opportunity	Category	Horizon	Value Chain
E	E1 Climate	(1) -	Contribution to climate change due to own and financed GHG emissions	Negative impact	Medium	Full
		(2) -	Contribution to climate resiliency by extending the range of products and services helping clients to adapt, or to save to build up financial resources to adapt to climate change	Positive impact	Medium	Downstream
		(3) -	Increased frequency and severity of extreme weather events may have impact on NIBC's financial position and performance	Risk	Long	Downstream
		(4) -	Acute climate risks and natural hazards affect physical assets such as own property and real estate investments. These can indirectly influence market and credit risks when vulnerable to these shocks.	Risk	Long	Downstream
		(5) -	Increased physical risk and transition risk to houses with poor energy performance	Risk	Long	Downstream
	E2 Pollution		Not Material			
	E3 Water & marine resources		Not Material			
	E4 Biodiversity & ecosystems		Not Material			
	E5 Circular economy		Not Material			
S	S1 Own workforce	(6) -	Workplace discrimination including, but not limited to, lack of diversity, lack of equal opportunities in terms of training and development and presence of pay inequality	Negative impact	Medium	Own operations
	S2 Workers in the value chain		Not Material			
	S3 Affected communities		Not Material			
	S4 Consumers & end-users	(7) -	Cybersecurity issues, leading to high maintenance cost to repair the issues, reparations for clients and potentially fines	Risk	Medium	Downstream
		(8) -	Increasing access to the housing market for vulnerable groups by offering tailored products, services, terms and conditions	Positive impact	Medium	Downstream
		(9) -	Data leaks of (client) data	Negative impact	Medium	Downstream
		(10) -	Entity specific: Client Satisfaction - (Lack of) Investing and ensuring in-person contact, knowledgeable client-facing staff and effective solutions	Negative impact	Medium	Downstream
		(11) -	Entity specific: Client Satisfaction - Investing in and improving digital platforms to offer seamless, user-friendly online and mobile banking services	Opportunity	Medium	Downstream
G	G1 Business conduct	(12) -	Violating (internal) rules and regulation regarding corruption and bribery or not adequately monitored	Risk	Medium	Own operations
		(13) -	Entity specific: ESG and AML risk management - Effective ESG and AML risk management practices, policies and mitigation actions can reduce risks, ultimately enhancing sustainability performance	Positive impact	Medium	Downstream
		(14) -	Maintaining good company reputation through corporate governance practices and better relationship with stakeholders	Risk	Medium	Upstream
		(15) -	A lack of or failure of measures, including not up-to-standard processes, to manage and to protect whistleblower confidentiality	Risk	All	Own operations

Policies and actions [MDR-P]

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 expectations for clients and suppliers and aim to foster sustainable and responsible business practices in NIBC's value chain.

Our sustainability policies are guided by international frameworks and conventions such as the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles (UNGPs), the Paris Agreement, the UN Principles for Responsible Investment (UN PRI), UN Global Compact (UNGC) 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.

NIBC also maintains a compliance policy framework consisting of a robust set of policies which aims to ensure responsible conduct and integrity. This compliance policy framework includes policies on Fraud Prevention, Anti-Bribery & Corruption, Whistleblowing, Complaints Handling, Conflicts of Interest, Sanctions, Gifts and Entertainment, and Prevention of Tax Evasion among others. The purpose is to ensure a culture of honesty and ethics within NIBC, a strong internal control environment, and high awareness on these subjects.

An policies overview is provided in NIBC Policies, which also shows the link between the policies and the ESRS chapters and our material IROs. Changes to policies and the actions to pursue policy targets can originate from all levels within NIBC as well as from stakeholders. Everyone is invited to contribute good ideas which help us to improve. All of NIBC's business units are responsible for managing sustainability risks and opportunities as part of their regular activities. Our corporate policies are reviewed and updated every two years.

Environment

NIBC operates in a complex world, where population growth, climate change and environmental impacts are creating significant sustainability challenges and unprecedented pressures on natural resources and human systems. The increasing demand for - and scarcity of – natural capital may lead to conflicts, political and economic instability.

Our double materiality assessment (DMA) process determined climate change to be a material theme for NIBC to disclose. From an impact materiality perspective a changing climate may impact all stakeholders directly and indirectly over the long term. From a financial materiality perspective, climate change may become a driver of risk in the medium to long term.

During the DMA process, NIBC identified multiple impacts, risks and opportunities (IROs) related to subtopics within climate change as material. These subtopics relate to climate change mitigation and adaptation. Although biodiversity, pollution, circularity, and water and marine resources are important and can also been seen as related topics, they were not determined to be material in our latest assessment. This is in line with the business context of NIBC with a focused product offering in selected markets and geographies.

CLIMATE CHANGE [E1]

Climate change can be a source of direct and indirect risk as well as an opportunity for NIBC and our stakeholders. According to EU Copernicus, 2024 was the warmest year on record and surpassed the 1.5° Celsius threshold above the pre-industrial levels set by the Paris Agreement limit. Next to other sustainability topics, climate change remains a top priority for our clients and as an entrepreneurial bank NIBC wants to help clients to mitigate climate risks and achieve a sustainable transition.

Environmental IROs [E1 IRO-1]

Climate change is a topic with many angles which therefore has a bearing on NIBC across many areas of its strategy. The material impacts, risks and opportunities that we describe below in relation to climate change highlight the various aspects of this multi-faceted topic:

- Firstly, NIBC contributes to climate change by generating greenhouse gas (GHG) emissions, in particular indirectly through the financed emissions of our value chain. NIBC has set targets for reduction in relation to these GHG emissions as can be seen in NIBC current and future decarbonisation targets and our current estimated emissions can be found in Greenhouse gas (GHG) Emissions [E1-6].

- The contribution by NIBC to mitigate climate change and its potential contribution to climate resiliency can consist of extending the range of products and services helping clients to transition. Such items are part of our the actions that are part of NIBC's Transition plan, and described in Decarbonisation levers.

- Furthermore, NIBC recognises the expected increase in the frequency and severity of extreme weather events. And while it is hard to predict the timing of such impacts, on the medium term these can very well materialise. The risks from acute climate events and natural hazards can affect physical assets such as own property and real estate investments and/or indirectly influence market and credit risks by negatively affecting the market value of assets either directly of companies affected or indirectly if countries or regions see increased vulnerability to these events. As such these effects can have a link with NIBC’s financial position. NIBC tries to identify the extent of those via climate scenario analysis as is further described inPotential financial effects related to climate change.

- Given the rising costs of fossil energy usage, the energy performance of homes has an increasing bearing on the value of a home. This includes impact on the marketability of such homes resulting in a negative impact on the value of collateral objects of our financing. As this can be expected to increase in the future, climate change can have long term impact on NIBC's mortgage portfolio in terms of expected credit losses (ECL) and risk weighted assets (RWA) resulting from homes with poor energy performance including their vulnerability to physical and transition climate risks. These elements are considered in our climate scenario analysis.

Policies referencing climate change [E1-2]

As described at Policies and actions [MDR-P], 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 adaption 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. They do not specifically cover renewable energy deployment. NIBC's policies are guided by international standards such as the United Nations Global Compact (UNGC) ensuring alignment with global environmental best practices. Additionally, NIBC is committed to transparent reporting, stakeholder engagement, and continuous improvement to foster sustainability and address climate change.

Climate transition plan [E1-1]

As an overarching objective, NIBC aims to support positive impact to mitigate the impact of climate change:

- NIBC's ambition is to support the transition to a sustainable economy with a goal of limiting global warming to 1.5° in line with the Paris Agreement. Despite continued increasing global emissions and the resulting global warming effects, we believe it is important to maintain this ambition and pursue an orderly transition.
- NIBC aims to reduce adverse climate risks and impacts related to the assets we finance and to pursue positive impacts. Climate preservation is also an opportunity for NIBC to engage with clients and to develop products and services which help clients transition and adapt to a changing environment.

NIBC current and future decarbonisation targets [E1-4]

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, 1.5° 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.
For definitions used in calculations and estimates included in the table below reference is made to Definitions of Sustainability Indicators.

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. For any remaining exposure in relation to fossil fuel exploration and production, please refer to Exposure to high-emitting asset classes. We still aim to maintain our achievement of these targets as they continue to be considered when adapting our business model to a changing world.

As part of our continued objective to support positive impact and achieve Net Zero by 2050 further actions are developed in relation to the portfolios in our core focus. Please note that given the characteristics of the remainder of our portfolio, which largely consists of mortgages and real estate, additional absolute financed emission reductions will take time.

Portfolio-specific ambitions

NIBC believes 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 an 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 above. 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 and 2050. The usage of this model to benchmark the pathway of our portfolios and guide related ambitions and actions therefore supports our Net Zero target for 2050 in line with the Dutch Climate Commitment.

In 2022 NIBC published its Climate Action Plan (see: link) that describes actions we have taken and envision going forward to achieve our climate objectives, targets and goals. As part of the portfolio-specific ambitions and other developments in the period since, new actions are formulated by NIBC that are to be deployed in the future. An overview is provided in Key Actions in relation to climate change [E1-3].

Approval and implementation progress

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.
For more information on the governance related to sustainability including the incorporation in performance targets and evaluation, please see Integration in our operations

The year 2019 also marks the baseline for the overall target which was determined based on the availability of emissions data and reasonable quality of such available data. We do note that improvements in data that can still be made. In addition, this baseline presents a relevant starting point of the focusing of our business strategy that has ensued since and hence adequately captures the developments of the strategic choices that have been made at NIBC. The impact of those strategic choices in regard of emission reduction is further described in Greenhouse gas (GHG) Emissions [E1-6].

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 Sustainability and Technology Committee (see Integration in our operations) will be updated on further progress of these plans.

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.

Risks and uncertainties

NIBC notes the growing awareness of climate risks and subsequent planning of actions across the world. While this leads to increased attention and development of actions, there are however risks and uncertainties that are to be considered regarding the ability to meet our ambitions and targets.

The majority of the emissions as reported by NIBC constitute Scope 3 emissions, hence are derived from the clients that NIBC finances. It is therefore the ability and willingness of clients, who are the ultimate decision maker, to make the required investments that determine the actual reduction of emissions of the portfolios that NIBC finances. In this light it is important to note that despite the growing awareness of climate change, there's a significant task ahead of us with an increasingly urgent call for action across the globe and across markets.

This is similarly prevalent for the portfolios in scope of NIBC's business model.
For instance, in order to achieve the pathways for our Real Estate and Mortgage portfolio, most of the properties in the Netherlands that are part of the NIBC portfolio need to undergo multiple renovations to significantly improve their sustainability performance. This will require considerable investments by homeowners such as our clients, as every property with a label below A+++ will need additional renovations between now and 2050. Given that the Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency, (RVO)) indicates out of the c. 5.3 million properties in the Netherlands that have a valid energy performance certificate (EPC) label close to 47% holds an EPC rating below B, this illustrates the substantial challenge that lies ahead for NIBC and other stakeholders in these markets.

Additionally, we are heavily reliant on other external factors, including decarbonisation of the electrical grid, sufficient and coherent government policy, EU regulations, support from investors, societal developments, macroeconomic factors, geopolitical stability that determine the ability and willingness of our clients to invest. Over these external factors, we have limited to no influence and it may be that these factors stand in the way of achieving our targets. In this light, NIBC is directing efforts as member of amongst others the Dutch Banking Association (NVB) to influence relevant regulatory or governmental bodies to promote further actions to mitigate climate change.

The result of this climate change can be significant. And therefore, if the above uncertainties and risks would materialise this could lead to financial risks for NIBC, such as additional capital requirements, a higher default rates and lower collateral values. However, given the changing nature of these parameters and the significant amount of uncertainty we have not quantified these risks beyond what is described in Potential financial effects related to climate change [E1-9].

Lastly, we are dependent on 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.

Decarbonisation levers

As we believe reaching Net Zero is a collective effort, our actions focus on multiple parties across the value chain, the impact we can have on the governing or regulatory bodies and our clients that we wish to support in their transition. In parallel, we urge our external stakeholders to follow-up on their commitments to mitigate the previously described risks and uncertainties.

This is summarised in below three pillars that direct the actions that we are developing:

1. to engage with clients and business partners to raise awareness, and support the investments required to transition and adapt. This can include taking into account the ability to meet our overarching objective, where needed and after careful consideration, to end our support for activities that do not fit the core focus of our business model.
2. to set a good example in raising awareness of the need for positive impact to mitigate climate change and continue to progress in decarbonisation in our own operations; and
3. to measure using best available information and continuously improve data quality in order to meaningfully monitor the climate impact of our activities which helps us set priorities and adjust our action plan.

We refer to Key Actions in relation to climate change [E1-3] for more detail regarding the corresponding (non-exhaustive) actions that are derived from these pillars and that we aim to deploy. We refer to Tracking our progress which details the tracking of our progress via the reduction of emissions.

Resources and funding of our decarbonisation levers

Achieving our ambitions and implementing our actions comes with a requirement for investments, as well as corresponding funding needs. Investments include both capital investments as well as the time, costs and efforts of our employees or external advisors hired for such purpose. NIBC believes it has sufficient resources available to implement our actions. Across the 2024 reporting period the most material and significant of those costs made have been in relation to the divestment of the Shipping portfolio which constitutes a high emissions emitting portfolio.

Other than those, the investments NIBC is making in for instance streamlining its data collection, retrieval and analysis are made as part of our continuous improvement agenda. Product improvements that tailor to meet our overarching objectives are seen as part of the recurring costs of our business model. Furthermore in line with our nature as a financial institution we did not have any capital expenditures during the reporting period nor remaining exposures related to coal, oil and gas-related economic activities. To our knowledge NIBC is not excluded from EU Paris-aligned Benchmarks.

On the funding side, NIBC issued a Green Bond in 2021. As part of our ongoing determination of the optimal funding mix, future issues of Green Bonds (or alternative instruments with similar aims) could be a consideration to fund further growth of portfolios as they grow more sustainable (for instance by an increasing share of mortgages with an energy performance certificate (EPC of A or better).

Resilience in a changing world

Our sharpened focus on certain business areas is believed to have improved the resilience of our business operations. The portfolios divested as part of this strategy update included high-emitting asset classes. Further to this, these divestments support our efforts in light of climate change, and potential “locked-in” GHG emissions related to NIBC's financings are believed to have been mostly reduced due to these actions. To our knowledge, standard-setting bodies such as PCAF are not currently considering developing standards to identify and determine "locked-in" emissions by financial institutions. Nonetheless this is an aspect we will continue to examine.

The changing world also induces shifts in customer demand, market dynamics, regulatory requirements and new technologies. This is reflected in the actions NIBC is developing that signal that our business model needs to cater to the market demand for support in the transition both in further product development as in knowledge sharing. This is also described at Processes for engaging with consumers and end-users about impacts [S4-2] where our financial products can also enhance the financial resilience of customers.

Furthermore our owned real estate is located in the Hague and our other foreign offices are leasehold offices. Based on the analysis of the physical and transition risks of our NIBC owned real estate, in relation to this location it is concluded that the overall risk is deemed low.

Lastly, as is outlined in Potential financial effects related to climate change [E1-9], a forward looking risk analysis is warranted to identify and aiming to mitigate potential risks. These risks can stem from weather events but also regulation or political changes. It is noted that many financial institutions are seen amending their policy commitments and positions in regard to climate change due to political developments and stakeholder pressure.

We therefore believe that like our business model, our actions in relation to climate change must continue to evolve, should be updated regularly with latest insights from our business teams and reviewed by the relevant management bodies.

Key Actions in relation to climate change [E1-3]

By using decarbonisation levers which are practical relative to our financings, operations and related value chains, NIBC wants to make progress that is guided by common sense.
An overview of our key actions in relation to climate change is provided in this section to present a grouped overview of our efforts. The actions are aimed to meet our overarching objective, next to similarly aiding in lowering transition and adaption risk.

By lowering these latter risks, we can potentially also align more assets with the EU Taxonomy, which is further described in EU Taxonomy.

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 2023 NIBC has launched 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 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. A key element of contemplating any action is assessing the effectiveness of these actions, which introduces a challenge as there is limited (public) data on the relationship between individual actions and climate change impact. This does not mean NIBC will not progress with execution and testing the effectiveness of these actions, but does mean that our planned actions as further described are and will remain subject to change.

NIBC has endeavoured to estimate the impact of key actions to set priorities, but uncertainties could limit the ability to ascertain the full impact actions could possibly have. Our insight is expected to increase in the future with improved methodologies and best practices amongst peers. The analysis also included assumed impact of for instance government actions, which via the decarbonisation of the electricity grid has a substantial influence on the ability to lower the impact of our financed portfolio in terms of GHG emissions.

Based on this analysis, key actions related to our business activities with clients are selected that are believed to have a significant quantifiable contribution in progressing towards our overarching objectives. These key actions are presented in the **Key Action table.** This table also includes an (non-exhaustive) overview of key actions that are focused on raising awareness that were also part of our Climate Action plan from 2022 or were started in the period since and that are hard to quantify but NIBC believes are nonetheless important to include. Our efforts should also be seen in the context of the highlighted Risks and uncertainties and as part of wider efforts by all stakeholders across the markets we are active in.

2024 highlights across our decarbonisation levers

In 2024, the most material development at NIBC bearing impact has been the divestment of the Shipping portfolio. This impact is reflected in the GHG emissions figures over the 2024 reporting period.

In raising awareness, the year marked a continuation of previously started initiatives. Such as a Green All Staff meeting with an external speaker to broaden the perspective on climate change across our employees. Similarly, ESG questionnaires where set out to existing and new corporate clients to continuously update our insights. And both our Sustainability team as well as other (senior) representatives were present at industry association or network events with sustainability firmly on the agenda. Especially given the introduction of the CSRD the topic of sustainability featured in many discussions across these events. Awareness regarding sustainability is also nurtured via various initiatives in the community which are further described at NIBC in the community.

Across own operations, several actions were initiated in previous years. This includes an update to the Dutch mobility policy preferring electric vehicles and at least requiring a hybrid car for new vehicles. This was further stimulated by expanding the offering of charging points. In addition, NIBC values promoting a balance between home and work life including the possibility to work from home, this stimulates virtual rather than physical meetings. A pilot was conducted to investigate the options to improve utilisation of our offices more efficiently. Together these initiatives are aimed to reduce our footprint.

As a further prolongation of our overarching objectives, the formulation of Transition plans for our Mortgage and Real Estate activities provided a structured approach for idea generation across the business segments for initiatives related to our product and service offering. This included team wide workshops.

The result includes a long list of actions of which assessment and, when deemed positive, deployment is mostly geared towards 2025 and beyond. Nonetheless, the Real Estate business segment includes the expertise and track-record in providing (re)development financing that will see greater emphasis to consider the sustainability improvement potential. Also Sustainability Linked Loans (SLLs) are already provided but with increased attention in interaction with (prospective) clients are expected to be offered more often.

The Mortgages segment has focused on supporting households in making their homes more sustainable by acting as a partner for both existing and new customers. This includes the introduction of an attractive mortgage interest rate that started in early 2025 for homes with an energy label A or higher and for homes that are made more sustainable to an energy label A after the start of the mortgage. In addition, we have started to proactively approach customers to ensure that sustainability improvements are correctly reflected in our data, by offering them a new energy label. This stimulates awareness of (further) improvements and should improve our data quality. To continuously improve our customer journey and gain insights into the awareness, knowledge and willingness around sustainability, an annual customer survey is conducted among existing customers.

Key Action table

Key Actions focused raising awareness across the industry and at own operations			
Decarbonisation levers *Actions are aggregated to similar themes to signal the key action deployed*	**Relevancy to NIBC objectives** *Description of ambition of the lever taking into account risks and uncertainties and resources to be allocated*	**Actions (non-exhaustive)** *Practical examples of the actions NIBC wishes to deploy*	**Time horizon and Scope** *Relevant time horizon, (emission) Scope and part of the value chain targeted*
Raising awareness: across our downstream value chain	Increasing the awareness of our clients and business partners in our value chain is supportive to mobilising a joint effort across markets to mitigate the impact of climate change.	▪ Raising awareness among own staff to continuously improve raising ESG topics with our clients ▪ Promoting sustainable improvement options to the intermediary partners in our mortgage value chain ▪ Seeking input via ESG Questionnaires to our corporate clients	▪ Short, Medium & Long term ▪ Scope 3 ▪ Downstream
Raising awareness: Aligning market participants	The mitigation of climate change calls upon all parties to provide a joint effort. NIBC therefore is part of multiple associations or networks that regularly discuss the developments that are ongoing or required to mitigate the impact. This provides a two-street where NIBC can be part of the discussion regarding priorities and focus but also learn from peers as to the effectiveness of actions or new developments.	▪ NIBC is part of a number of industry associations or network of market participants such as the NVB, EEM-NL Hub and PCAF ▪ As part of our stakeholder engagement we have regular interaction with NGOs, partners in our value chain and industry representatives that provide us with feedback, insights to development and highlight concerns	▪ Medium term ▪ Scope 3 ▪ Downstream and Upstream
Own operations decarbonisation: a mindful culture among employees	Raising awareness also includes setting the right example. This includes investigating further options to decarbonise our own operations, beyond the improvements that have been made to for instance our own offices (label A to A++ for the Hague office).	▪ Raising awareness among own staff re climate change to increase a mindful culture for waste and travel choices such as promoting leasing of electric vehicles or at least hybrid in case of new vehicle leasing (in the NL)	▪ Medium term ▪ Scope 1, 2 and 3 ▪ Own Operations

Key Action table

Key Actions focused on our business activities with clients			
Decarbonisation levers *Actions are aggregated to similar themes to signal the key action deployed*	**Relevancy to NIBC objectives** *Description of ambition of the lever taking into account risks and uncertainties and resources to be allocated*	**Actions (non-exhaustive)** *Practical examples of the actions NIBC wished to deploy*	**Time horizon and Scope** *Relevant time horizon, (emission) Scope and part of the value chain targeted*
Support the transition: Financing the transition of our clients	Our Real Estate business has a longstanding expertise with construction and development financing. This requires tailor-made financing that caters to the re-development of existing buildings.	■ Financing the re-development of existing buildings that will result in an improved sustainable footprint.	■ Short & Medium term ■ Scope 3 ■ Downstream
Support the transition: Product design improvements	ESG linked loans can be an enabler of motivating continuous improvement on ESG factors. NIBC is developing improvement to our product offering that incorporates these elements in a practical manner.	■ Continue to offer and promote ESG linked loans. ■ Potentially introducing specific focus on (top-up) financing to assist clients in meeting Capex requirements of energy-efficiency improvements	■ Medium term ■ Scope 3 ■ Downstream
Support the transition: Promoting the financing of sustainable homes **Support the transition:** Improving access to sustainability improvements for existing clients	Mobilising clients to make the decision to invest is an important factor in the transition towards sustainable homes. This is promoted by engaging with clients to understand the best way to provide support and financing of those investments. This includes offering favourable conditions to facilitate the financing of new build homes or other properties with a sustainable character.	■ Be an attractive mortgage provider via favourable conditions for properties with a sustainable footprint; such as the introduction of a sustainability discount ■ Pro-actively approach clients where sustainability improvements can have a tangible impact. ■ Working together with partners to offer sustainability advice to home-owners	■ Medium term ■ Scope 3 ■ Downstream ■ Medium term ■ Scope 3 ■ Downstream
Data collection and **quality** improvements	Data quality is of significant importance to inform our decisions, track effectiveness and measure our progress. This includes all parameters but mostly the portion where energy performance of collateral objects is unknown in our dataset.	■ Improve data linkage with sources such as RVO ■ Actively engage with clients to receive for instance energy performance label information as part of our transaction due diligence	■ Medium & Long term ■ Scope 3 ■ Downstream

Greenhouse gas (GHG) Emissions [E1-6]

Measuring emissions associated with our activities is of importance in order to assess our impact, to manage or identify risks today as well as over time. But also to identify opportunities and guide the journey towards decarbonisation determining the estimated GHG Emissions across our activities are a key starting point.

Aligned with our core PACE corporate value of Professional, we aim to be transparent in our progress to measure our impact. NIBC has been measuring its emissions since 2010. Over time the scope of our measurements have grown from measurements of basic operational emissions to more complex calculations of estimated emissions related to our financings and investments.

NIBC bases its calculations on the GHG Protocol Corporate Accounting and Reporting Standard and related methodologies that are aligned with GHG Protocol. NIBC's calculation of scope 3 emissions is based on the methodology and emission factors provided by the Partnership for Carbon Accounting Financials (PCAF). PCAF is a global initiative that develops standardised frameworks for financial institutions to measure and disclose the greenhouse gas (GHG) emissions associated with their lending and investment portfolios. NIBC promotes progress to improve measurements through participations industry fora such as the Dutch Banking Association, PCAF, and the Energy Efficient Mortgages Netherlands
(EEM-NL).

Tracking our progress

One of the key uses of measuring emissions is to determine the progress that is made versus our overall reduction targets. This is determined in terms of emission reduction versus the baseline as detailed per the target setting. This is also the most preferred method to test the effectiveness of our key actions.

However, in case the direct relationship between emissions and an action is hard to quantify or in the case actions have only had limited time to create an effect, appropriate alternative indicators are to assist in the ongoing progress. This could include EPC label migration, customer response to outreaches by NIBC and product adaptation metrics by clients. These factors are aimed to be used by NIBC internally to assess and where necessary adjust action plans.

For 2024, year on year the emissions in total (across all scopes) have decreased by 1,003,454 ton of CO2e or 62%. The main driver of this reduction is the divestment of our Shipping portfolio over 2024. Compared to the baseline of 2019 a decrease of 8,826,300 ton CO2e or 93% has been realised up to 2024. This was mainly driven by ending the financing of fossil fuel exploration and production companies and thereafter selling the (remaining) portfolio in 2022. Furthermore also reducing our Non-Core portfolio adds to the overall decrease. Please note that the comparative 2023 figure for scope 3 emissions GHG Category 5: Waste was restated from 2,533 ton to 24 ton CO2e due to an error in the calculation.

A more detailed breakdown of our 2024 Financed emissions (Scope 3, Category 15) across our asset-classes is shown in a dedicated table. For the 2024 estimated emissions per country of Scope 1 and 2, we refer to a seperate table. NIBC leases its office locations in Frankfurt, London and Brussels.

Climate - GHG emissions

	Retrospective				Milestones & Ambitions[1]	
Estimated emissions in tCO2e[2]	**2024**	**2023**	**% N / N-1**	**Baseline (2019)**	**2030**	**2050**
Scope 1: direct emissions - energy	97	109	(10%)	170		
Scope 2: indirect emissions - purchased electricity (market-based)	59	-	-	-		
Scope 2: indirect emissions - purchased electricity (location-based)	747	876	(15%)	1,281		
Scope 3: other indirect emissions						
GHG Category 1: Purchased goods & services	1	1	17%	7		
GHG Category 5: Waste	23	24	(4%)	31		
GHG Category 6: Business travel	267	129	107%	358		
GHG Category 7: Employee Commuting	428	167	156%	558		
GHG Category 15: Financings & investments[3]	622,566	1,626,276	(62%)	9,448,025		
Total Scope 3	623,284	1,626,597	(62%)	9,448,978		
Total estimated emissions (market-based)	**623,441**	**1,626,706**	**(62%)**	**9,449,149**	**4,252,103**	**-**
Total estimated emissions (location-based)	**624,129**	**1,627,583**	**(62%)**	**9,450,429**	**4,252,103**	**-**
Overarching target[1]						
Absolute value of GHG emissions reduction (tCO2e)[4]	(8,826,300)	(7,822,847)			(5,198,326)	(9,450,429)
Percentage of GHG emissions reduction (as of emissions of base year)[4]	(93%)	(83%)			(55%)	(100%)
Emissions intensity				**Baseline (2023)**		
Intensity per EUR million in Net Revenue (tCO2e/EUR million) for GHG emissions (market-based)	654	1,947				
Intensity per EUR million in Net Revenue (tCO2e/EUR million) for GHG emissions (location-based)	654	1,948				
Portfolio specific (Dutch) Mortgages (tCO2e/m2)[1]	29.8[5]	n.a.		29.8	14.4	-
Portfolio specific (Dutch) Real Estate (tCO2e/m2)[1]	82.4[5]	n.a.		82.4	38.2	-
GHC removals and storage in own operations	-	-				
GHC emission reductions or removals outside value chain (carbon credits)	-	-				

1 For Milestones & Ambitions please take into consideration the Risk and uncertainties section
2 In accordance with GHG Protocol
3 As at 31 December
4 Location-based
5 Portfolio specific ambitions are based upon the portfolios as per 31 December 2023

Climate – Financed GHG emissions

Breakdown by asset class[1]				Scope 1 & 2		Scope 3	
Asset class	Gross carrying amount (EUR million)	Data quality	Coverage rate (%)	Absolute financed emissions (tCO2e)	Intensity (tCO2e/ EUR million gross carrying amount)	Absolute financed emissions (tCO2e)	Intensity (tCO2e/ EUR million gross carrying amount)
Mortgages	14,015	3.0	100	-	-	269,618	19
Real Estate	1,849	3.2	100	202,715	110	-	-
Infrastructure	1,646	4.5	100	6,276	4	36,039	22
Non-Core Activities	770	4.7	100	19,766	26	88,152	114
Subtotal	**18,281**			**228,758**		**393,808**	
Out of scope assets							
Cash and banks	3,694						
Equity investments	115						
Debt investments	1,186						
Derivatives	83						
Other assets[2]	64						
Total assets	**23,422**						

1 In accordance with GHG Protocol
2 Includes, among others, investment property, property and equipment, intangible assets, and tax assets

Climate – GHG emissions per country

Estimated emissions in tCO2e[1]	Total	The Netherlands	Germany	United Kingdom	Belgium
Scope 1	97	91	2	2	2
Scope 2 (market-based)	59	-	30	-	29
Scope 2 (location-based)	747	709	20	11	8
Total market-based (Scope 1 & 2)	**157**	**91**	**32**	**2**	**31**
Total location-based (Scope 1 & 2)	**845**	**800**	**22**	**13**	**10**

1 In accordance with GHG Protocol

Potential financial effects related to climate change [E1-9]

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.

Currently there is no commonly accepted methodology to assess or measure how material physical risks and transition risks may affect a company's future financial position, financial performance and cash flows. Therefore NIBC has used outcomes from internal climate scenario analysis to estimate anticipated financial effects. The outcomes from the analysis were reviewed and approved by NIBC's Risk Management Committee (RMC). We expect regulatory authorities may publish further guidance during 2025. Therefore we anticipate that we will make additional refinements in future years and that our methodologies will likely continue to apply latest scientific research and best practices.

Climate scenario analysis

NIBC performed quantitative climate scenario stress testing analysis during 2024 based on 2023 year end data. We prioritised analysis of our Dutch Mortgage loan portfolio and Real Estate portfolios. Real estate is the main activity financed by NIBC which is classified by the EU among high emitting sectors. Other portfolios include our Digital Infrastructure portfolio and our Non-Core portfolio.

Public data on emissions or impact per sector is hard to match to our exact portfolio characteristics, but an 2021 report on climate impact of infrastructure by the United Nations Office for Project Services (UNOPS) showed that while infrastructure accounts for 79% of global emissions, digital communication accounts for 2% versus buildings at 17%. As also decreasing nature of our Non-Core portfolio, the Dutch Mortgage loan portfolio and the Real Estate portfolio are therefore likely the most material portfolios in terms of climate risk for NIBC and hence have been prioritised.

Climate scenario analysis also features regularly in our supervisory dialogue in connection to the prudential framework. As part of this NIBC is aiming to further develop both the description of our choices and method, for instance in relation to our determination of immaterial risks, as well as the scope of our stress testing. As to the latter, NIBC is currently contemplating an approach to include the Digital Infrastructure portfolio in the analysis on a qualitative manner in 2025, with the expectation that in the future this portfolio will become part of our stress testing in a quantitative manner.

Our analysis is based on Royal Dutch Meteorological Institute (KNMI) data which is publicly available via the Dutch Climate Adaptation Service (CAS). KNMI's analysis leaned on Intergovernmental Panel on Climate Change (IPCC) climate scenarios and assumptions, but applying conditions expected specifically in the Dutch environmental context.

We applied best practices from the Dutch Central Bank (DNB) and Network for Greening the Financial System (NGFS). We developed stress scenarios aligned with a potential temperature change in alignment with specific IPCC scenarios. This results in scenarios ranging from of 2.1 to 4 degrees Celsius and therewith recognises that Representative Concentration Pathways (RCP) above 1.5 degrees are increasingly likely, regardless of NIBC's own targets and actions.

Overall, the stressed scenario indicates a potential financial impact of 0 to 9 million expected 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. Although climate risk should not 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. In the Financial Statements, NIBC accounts for climate risk in the ECL management overlay. The overlay calculation differs from NIBC's stressed climate scenario analysis in its purpose and assumptions.

Physical climate risks

The majority of Mortgage collateral objects and Real Estate collateral objects financed by NIBC are not subject to any currently known physical climate risks.

For the Mortgage portfolio specifically, 43% of Mortgage collateral objects face at least one type of climate risk. 6% of Mortgage collateral objects face multiple risks. 0.04% of

Mortgage collateral objects are assessed to be at significant risk of a high probability acute physical climate risk event.

For the Real Estate portfolio, 47% of Real Estate collateral objects face at least one type of physical climate risk. 4% of Real Estate collateral objects face multiple risks. 1.4% of Real Estate collateral objects are at significant risk of a high probability climate risk event. The main location of collateral objects considered to be at potentially significant physical climate risk are located in riverine areas of the Netherlands. Although these are primarily located in South Holland (NUTS NL33), North Brabant (NL41) and Limburg (NL42), the physical risks within these regions vary. For example, in the case of floods, the level of the water and the duration of the flooding strongly determine the potential damage and depreciation of value. Therefore only specific locations within these regions are assessed to be at significant risk.

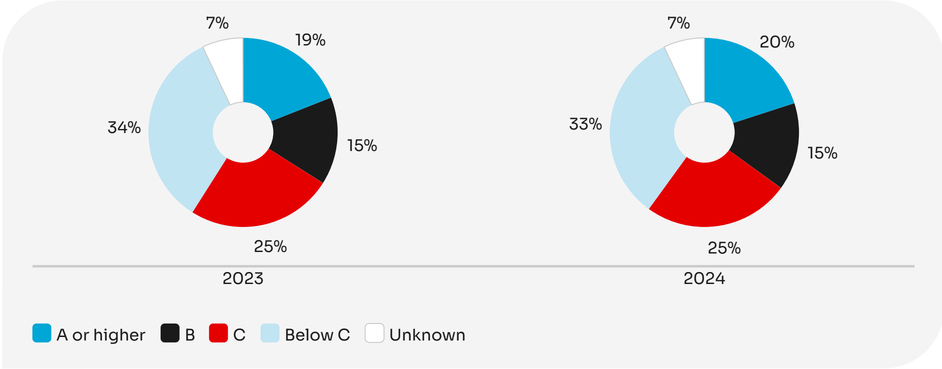
Physical climate adaptation measures are largely outside of the control of NIBC and its clients. To counter the effects of physical climate change, Dutch water management authorities are being substantially strengthening protective dykes. Other countries where NIBC is active have also announced increased commitments to strengthen, repair and build flood defences. This may reduce risks in areas protected by primary and secondary flood defences. The risk of damage from extreme rainfall and flooding in areas outside of these better defended areas may increase. Foundation risks can be partly reduced by raising groundwater levels, but to our knowledge there are no concrete plans for this yet.

Transition risks

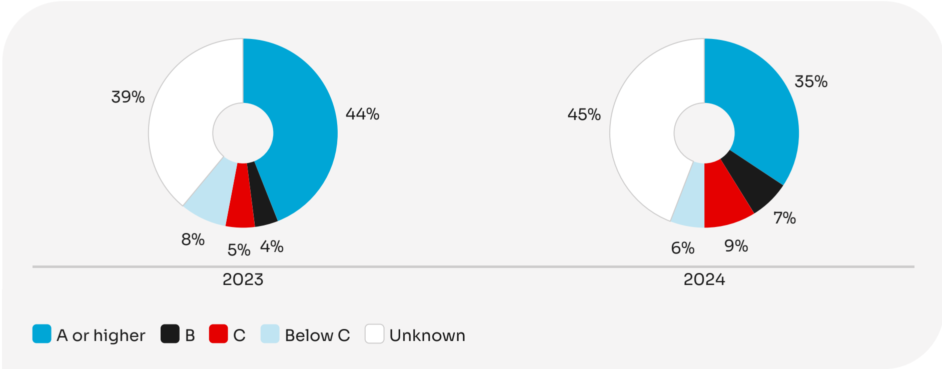
Exposure to climate transition risks is primarily related to energy efficiency and source for the asset classes where NIBC is active. For Mortgages and Real Estate, the main current indicator is the energy performance certificate (EPC) label of the property. As building regulations become more stringent, this may adversely affect the value of properties particularly those which are less efficient. 65% or EUR 9.2 billion of Mortgage collateral objects on NIBC's balance sheet have an EPC label of C or below, or do not hold an EPC label. These are considered vulnerable to transition risk. 59% or EUR 1.0 billion of Real Estate collateral objects have an EPC label of C or below. Although these are also considered by NIBC to be vulnerable, most of these have a plan to implement energy efficiency improvements.

Liabilities from material transition risks that may have to be recognised in NIBC's Financial Statements are expected to remain insignificant for the foreseeable future.

Mortgages loan balances by EPC label



Real Estate loan balances by EPC label



NIBC owned real estate

NIBC's headquarters complex in the Hague is the only real estate directly owned by NIBC (for the value as per our Financial Statements please refer to note 23 and 24). This comprises 96.7% of the total office space owned or occupied by NIBC. Overall physical risk related to this location based on available water risk maps is low based on geolocation and IPCC Shared Socioeconomic Pathways (SSP, and specifically SSP1 SSP3 and SSP5) scenarios derived from the World Resources Institute's publicly available Aqueduct tool. Potential operational impacts from physical climate risks are insignificant, within existing risk tolerance levels for operational risk. EPC labels for the complex range from A to A++ as a result of improvements already implemented since 2015. Therefore, transition risk is considered to be low. Energy consumption data for the Hague is sourced from our energy providers. NIBC's leases its office locations in Frankfurt, London and Brussels.

Exposure to high-emitting asset classes

Real estate is considered by the EU as an emissions intensive asset class. However according to the EU's "Fit for 55" stress test results published in November 2024, actual risks are expected to be low by comparison to other high-emitting asset classes. Recent external expert research identifies thermal coal mining, power generation and oil and gas as asset classes most at risk of stranded assets for banks. Since NIBC's activities do not involve economic activities which are not possible to transition and adapt, such as coal, oil, or gas we do not believe any significant assets on NIBC's balance sheet are potential stranded assets. As per year end 2024 there is no exposure to fossil fuels related economic activities within NIBC's assets. However we continue to monitor our portfolios and seek to identify any assets that are at risk of stranding.

Gross carrying amount by controversial sector as at 31 December

in EUR millions	2024	2023
Fossil fuels (coal, oil and gas)	-	0.12
Chemicals production	-	-
Controversial weapons	-	-
Tobacco cultivation & production	-	-
Total gross carrying amount by controversial sector	**-**	**0.12**

OTHER ENVIRONMENTAL MATTERS

NIBC's double materiality assessment (DMA) has determined impacts, risks and opportunities (IROs) related to Pollution, Biodiversity, Circular Economy, and Water and Marine Resources to be not material due to the current scope of our activities. Nonetheless, NIBC continues to perform due diligence and maintain robust policies (please refer to NIBC Policies) to identify potential impacts and manage and mitigate adverse risks in these important areas. We also continue to seek opportunities in which NIBC can play a meaningful role and contribute to positive impacts in these areas.

EU TAXONOMY

The EU Green Taxonomy , which is relevant for NIBC Bank N.V., is a classification system established by the European Union to provide a clear and consistent framework for identifying environmentally sustainable economic activities. Its primary goal is to guide investors, companies, and policymakers in making informed decisions that support the transition to a low-carbon, resilient, and resource-efficient economy.

Taxonomy-eligible and non-eligible activities for six EU environmental objectives have been considered for the financial year 2024. The six environmental objectives of the Taxonomy are: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

Technical Screening Criteria (TSC) define the specific requirements and thresholds for an activity to be considered as significantly contributing to a sustainability objective.

For an activity pursuing one or more of the six objectives to qualify as sustainable it cannot cause significant harm to any of the other Taxonomy objectives and must meet certain safeguards. For each activity, the TSC lay out thresholds to define compliance with Do No Significant Harm (DNSH) criteria and meet Minimum Safeguards (MS).

For 2024, NIBC Bank N.V. is reporting the following Taxonomy KPIs and its Green Asset Ratio (GAR).
For further details we refer to the 2024 Annual Report of NIBC Bank N.V.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

	Total environmentally sustainable assets[1]	KPI turnover (%)[2]	KPI CAPEX (%)[3]	% coverage (over total assets)[4]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	2,334	11.57	11.57	86.13	19.67	13.87

1 in EUR millions
2 Based on the Turnover KPI of the counterparty.
3 Based on the CapEx KPI of the counterparty.
4 % of assets covered by the KPI over NIBC's total assets.

Social

NIBC believes that respect for human rights is a basic corporate responsibility; towards our own employees, but also towards workers in the value chain, affected communities or others who might be affected directly or indirectly by our actions. NIBC includes this information in this disclosure to meet our obligations under the UN Guiding Principles for Business and Human Rights Reporting Framework and to meet the information needs of stakeholders such as investors and civil society organisations.

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.

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.

Commercial Real Estate and Infrastructure sustainability policies have been developed to manage and mitigate impacts and risks specific to an asset class. Actions to support our policies in regard to human rights aspects include due diligence and acting on any material findings resulting from due diligence and monitoring. Furthermore we exclude financing towards assets that we deem to be outside of our risk appetite as determined by this due diligence.

NIBC'S WORKFORCE [S1]

As a bank built for entrepreneurs, we are committed to cultivate our 'Think YES' mentality by being flexible and agile and by matching our clients' can-do attitude. Our people are our human capital, enable us to deliver our business strategy and are the key to our success. They bring knowledge, skills and diversity in background, experience and perspective to NIBC. Our corporate values – professional, adaptive, collaborative and entrepreneurial (PACE) - are the cornerstone for NIBC's organisation and culture and therefore a recurring theme in our people's development.

Workforce related IROs

In our double materiality assessment (DMA), NIBC has determined equal treatment and opportunities for all to be a material topic. Please refer to Materiality [SBM-3] to see the full description of the related impacts, risks and opportunities (IRO). The specific IRO in this respect, centers on the various elements of discrimination or in other words unequal treatment. This includes a lack of diversity, lack of equal opportunities in terms of training and development and presence of pay inequality. This topic could impact NIBC's ability to execute its strategy, since if the workforce feels discriminated or not treated equally it might result in lower engagement or higher outflow of talent, and therefore might also have a bearing on the resilience of NIBC's strategy. For further information, please see impacts, risks and opportunities and our strategy.

Next to discrimination itself this is further detailed in Discrimination incidents reported and complaints filed [S1-17], these elements are addressed in Training and skill development [S1-13], Diversity and Equal treatment [S1-9] and Remuneration metrics [S1-16].

Employee composition

Own employees by head count as at 31 December

	2024	2023
Female	**257**	**260**
Full-time contract	177	
Part-time contract	80	
Male	**365**	**464**
Full-time contract	305	
Part-time contract	60	
Total number of employees	**622**	**724**
Female	**257**	**260**
Permanent contract	223	
Temporary contract	34	
Non guaranteed hours	-	
Male	**365**	**464**
Permanent contract	329	
Temporary contract	36	
Non guaranteed hours	-	
Total number of employees	**622**	**724**
Total number of non-employees	**26**	**50**

Employees per country by FTE[1] as at 31 December

	2024	2023
The Netherlands	557	656
Germany	14	16
United Kingdom	20	18
Belgium	6	5
Total number of FTE	**597**	**695**

1 Reference is made to note 1 of the Financial Statements for split across segments

Turnover of own employees by head count from 1 January - 31 December

	2024	2023
Total number of employees turnover (employees left)	104	114
% of employee turnover (employees left)	17.0%	15.8%

Policies related to own workforce [S1-1]

The bank's policies emphasise equal opportunities for all employees, regardless of race, gender, age, religion, disability, sexual orientation, or any other characteristic. Additionally, NIBC has clear procedures for reporting and addressing any incidents of discrimination or harassment, ensuring that all reported concerns are handled promptly and effectively.

Workplace discrimination incidents when they occur can adversely impact employee satisfaction and overall well-being. The main policies at NIBC addressing discrimination include our Code of Conduct, our Diversity and Inclusion Policy, and our Anti-Harassment and Non-Discrimination Policy. These documents outline the bank's commitment to maintaining a workplace free from discrimination and harassment and provide guidelines and procedures for reporting and addressing any incidents. Furthermore, procedures are in place to ensure that discrimination is prevented, mitigated and acted upon. For example, our Corporate Secretary monitors compliance with our Diversity Policy and reports any finding to our Managing Board. Our Health policy advises employees on steps to take if confronted by inappropriate behaviour including discrimination.

Across a broader perspective to prevent or mitigate other negative impacts on our workforce, NIBC's Human Rights Policy outlines our overarching human rights policy commitments and is guided by leading international human rights standards such as the OECD Guidelines, ILO Conventions and the UN Guiding Principles on Business and Human Rights. The policy explicitly addresses forced labour, modern slavery and child labour. Furthermore NIBC annually updates and discloses a Modern Slavery Statement to meet requirements set out in the UK Modern Slavery Act.

NIBC’s main policies related to our workforce are our Managing Board, Supervisory Board and employee remuneration policies, our Staff Manual, our Diversity policy, our Health policy, our Development policy, our Employee Screening policy, our Code of Conduct and our Whistleblowing policy. Accident prevention is a component of our Health policy. No NIBC operations are at significant risk of forced labour or child labour. For additional details in regard to our policies please refer to NIBC Policies.

Employee engagement and representation [S1-2]

NIBC aims to maintain a corporate culture in which worker's rights are respected and where their perspectives are taken into account in decision-making processes. Employees are represented by NIBC's Works Council in discussions with our Managing Board and Supervisory Board. The Works Council officially represents the employees on the Dutch payroll, but also acts for the benefit of all employees. They are the eyes and ears of employees and a critical sparring partner for the management teams. NIBC's Works Council is represented in the Dutch organisation for Works Councils for banks. At the same time, NIBC does not participate in the national collective bargaining agreements (CBAs) for banks.

The relationship between NIBC's management and the Works Council is well established and promotes a healthy dialogue. During 2024, the Works Council provided advice to NIBC's Managing Board on a number of developments including the divestment of our Shipping portfolio and the sale of the Platform subsidiaries Beequip and yesqar. The Works Council also provided regular updates to NIBC's employees on relevant workforce related developments through communication channels such as their Newsflash. CSRD and other evolving sustainability disclosure requirements were discussed with the Works Council. The Works Council Chair was interviewed as a stakeholder representative as part of NIBC's double materiality assessment. In 2024 a "green all-staff" meeting and numerous workshops have been organised to keep NIBC's workforce well informed in regard to increased disclosure requirements, updates on targets and progress, and in general to keep them engaged on sustainability matters.

Our toolkit for systematic engagement with employees includes NIBC's performance review process. Managers are responsible for conducting annual performance appraisal interviews with their staff. We utilise this process to retain and develop our employees by agreeing on relevant development plans and by setting meaningful goals. Managers and employees alike are encouraged to schedule "check-ins" throughout the year to discuss targets and reflect on progress. These also represent opportunities to gather feedback on strategic plans of the department, business unit and NIBC as a whole. These processes are overseen by NIBC's Human Resources department.

NIBC supports freedom of association and encourages employees to exercise this important labour right. As a result employees often form groups to collaborate on a topic, common interest or initiative. Many of the initiatives and actions start in this way and contribute to the sense of inclusion and community within our company. This includes the Sisterhood community (see Promoting a safe workplace) and sometimes this catalyses the formation of more formal structures such as a committee or working group such as our Diversity Committee.

Processes to remediate negative impacts [S1-3]

NIBC fosters an inclusive and respectful work environment, free from discrimination and harassment. We have the following measures in place to address negative impact. And if concerns arise, it is important that NIBC ensures appropriate channels are available for our workforce to raise a grievance or complaint.

The threshold for reporting negative impacts should be low, and everyone has a duty to report criminal matters and situations where safety or health is at risk. NIBC therefore urges employees to report complaints if they perceive such impacts. Complaints may be raised through our managers, human resources, NIBC's whistleblowing process, or through NIBC's complaints mechanism. In the case of the whistleblowing or the complaints procedure, options are also available to also do so anonymously.

We have established guidelines for handling these matters confidentially and efficiently. Confidential advisors are available to guide complainants and provide support during these processes. NIBC is committed to ensure that legitimate complaints are handled without fear of reprisals or retaliation. Further descriptions of NIBC's whistleblowing and complaints mechanisms are provided in Business Conduct [G1].

All employees are invited to provide their feedback on the work environment at NIBC through an annual Employee Engagement Survey (EES). The survey covers a range of topics including inclusion, psychological safety, team leadership, engagement, and employership. Employees are also asked if NIBC has taken sufficient actions to address prior feedback and if employee feedback has been acted upon. Human Resources ensures that the results are shared and and discussed within senior management, each business unit and preferably each team. This enables management to assess the effectiveness of measures taken to create an engaging, inclusive, respectful and safe work place and to reflect on this progress.

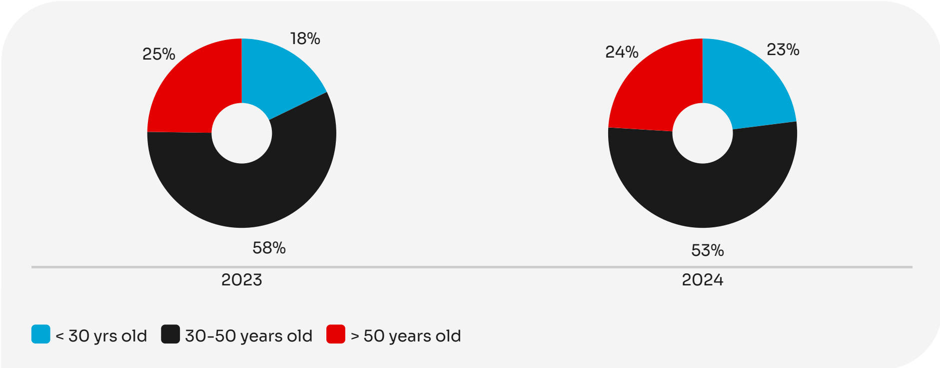
High participation of 85% in the survey provided solid insights, which led to the identification of the organisation's strengths and opportunities. 64% of respondents also indicated that in their opinion NIBC uses employee's ideas and suggestions to do better. Over the past several years, including the 2024 survey, many employees have expressed that NIBC's progress on sustainability is a point of pride.

To help address certain information gaps which may affect NIBC's ability to identify and overcome barriers, NIBC conducted an additional voluntary anonymous workforce survey in 2024. Approximately 54% of NIBC's workforce responded. The survey was mostly geared towards information gaps regarding personnel data (such as commuting) not otherwise available, but also offered open questions to highlight potential risks or other considerations on sustainability topics aiding the insight in different perspectives.

Diversity and Equal treatment [S1-9]

We are committed towards fostering and improving diversity within our organisation. Diversity at NIBC comprises different gender, nationalities, ages, cultures, as well as social or personal differences, making sure all persons receive and can expect equal treatment.

The distribution of employees by age group by head count as at 31 December



We have a zero tolerance policy towards all forms of gender-based discrimination in employment and occupation and an active approach to prevent disadvantages for women with regard to pay and promotions.

Diversity Targets [S1-5]

NIBC has developed a coherent set of measures and targets – also incorporating a broader diversity scope – which will help us to deliver results. As a mid-sized organisation, the most senior positions in our organisation are limited. This means change in a handful of positions can positively or negatively influence gender diversity or gender pay ratios at the top.

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.

Gender diversity - Managing Board & Top management as at 31 December

	2024	2023
Male/female ratio Managing Board	50%/50%	50%/50%
Male/female ratio top management	70%/30%	71%/29%
Total number of males within top management (headcount)	63	71
Total number of females within top management (headcount)	27	29

In order to facilitate an appropriately diverse pool of candidates for management body positions NIBC has set an overall target of at least 30% women at all function levels and within each business unit. While different in nature, across the whole of top management we have attained this a 30% ratio, slowly improving versus last year. While initiatives are present to promote improvement on the diversity metrics, NIBC has not developed specific actions nor an action plan. We expect that in the future a further increased ratio will be set as target for this ratio.

Separate internal key performance indicators are set and monitored on inflow, promotions, outflow, to support reaching the overall target. Also across the whole of NIBC year on year progress is shown in a more balanced gender ratio as can be seen in the table on Gender Diversity across all employees.

Gender diversity - All employees as at 31 December

	2024	2023
Male-female ratio[1]	59%/41%	64%/36%

1 Employees by head count

Our gender diversity targets are based on a 2018 baseline. In 2018 our gender diversity ratios were 0% Managing Board, 15% top management, and 29% overall.

Diversity in general, and the male-female balance specifically, are explicitly considered in our talent programmes and performance management. To address gender imbalances, we have introduced engagements, like mentorships and dedicated workshops and programmes, aimed at retaining and further developing talented female employees. Furthermore, we work closely within professional networks such as Talent to the Top.

Our Diversity Committee provides advice on diversity and inclusion to NIBC's Managing Board and runs initiatives to promote awareness. For example, the committee monitors cultural diversity, gender diversity, gender pay gaps and ensuring a safe and inclusive workplace. The Committee may also advise on targets and actions to achieve them. Members of the Committee were involved in reviewing NIBC's response to a SER Council annual national survey on diversity and inclusion.

Training and skill development [S1-13]

NIBC's Talent Program, Dare to Develop program, Management Development program and training and development offerings for our workforce are extensive. For 2024 and 2025, each employee receives a budget which can be used for personal development. In this light, also the further increased progression of efforts and actions on climate change creates opportunities for our people to employ new skills. For example during 2024, NIBC invited external experts to provide in depth trainings on new requirements for buildings related to the European Buildings Performance Directive (EPBD) IV and EU Taxonomy. Such possibilities are offered to employees to continuously build expertise, gain professional certifications and develop.

Training and development of own employees from 1 January - 31 December

	Total	Female	Male
Percentage of employees that participated in regular perfomance and career development reviews	87%	85%	89%
Average number of trainings hours	68	71	66

The average number of trainings hours was estimated based upon a voluntary questionnaire that was sent to all employees. Given the response rate we believe that the reported average number of trainings hours is representative for the total of NIBC.

NIBC offers a growing number of sustainability-related training opportunities for employees. We continue to invest in the development of our employees by offering them feedback, coaching and training, development programmes and e-learnings.

Over the past several years, NIBC has expanded these to include numerous external professional development courses available for employees to use within their training budget. We also are planning to further expand this program during 2025.

Remuneration metrics [S1-16]

NIBC discloses gender pay gaps and when needed takes appropriate actions towards our goal of a near zero adjusted pay gap. Further compensation indicators including adjusted pay gaps are disclosed in the Remuneration report.

Unadjusted pay gap

	2024	2023
Annual total remuneration ratio[1]	18.8	n.a.
Male-female pay gap as a % of gross hourly earnings of male paid employees[2]	19.55%	20.52%

1 1 January - 31 December
2 as at 31 December

Insights in discrimination incidents or complaints [S1-17]

During 2024 one discrimination-related complaint was reported compared to two complaints during 2023. To raise attention on the topic of discrimination, managers across NIBC were informed of best practices in the hiring process to promote unbiased selection. This also included the option for a training on this topic. No material fines, penalties and compensation for damages were incurred during 2024 related to incidents, complaints and violations within workforce related to work, social & human rights.

Incidents of discrimination and complaints by own workforce from 1 January - 31 December

	2024
Number of incidents of discrimination	1
Number of complaints filed by own workforce	1

Promoting a safe workplace

People perform at their best when they feel safe and engaged. NIBC aims to create better futures for our people by ensuring they feel inspired to do their best work, have opportunities to develop and can thrive in their role at NIBC. Throughout 2024 NIBC continued to focus on raising awareness to promote a safe workplace. All new employees were informed of this focus as part of their introduction sessions.

A supportive and empowering network of senior NIBC women, the NIBC Sisterhood community, was formed for mutual growth, encouragement, and to promote equality, personal development and positive relationships. The focus of the community is to provide a safe environment where women can share their experiences, challenges, and goals, and receive encouragement and guidance from their peers.

NIBC considers work-life balance an important factor in attracting and retaining employees. Having a balanced life means enabling employees to combine work and private life in a balanced way, i.e. by having enough time for leisure activities, pursuing hobbies, and spending quality time with family and friends. It also prevents burnout and stress, which can have negative impacts on employee physical and mental health. NIBC's hybrid way of working aims to enable employees in this respect.

CONSUMERS AND END-USERS [S4]

During 2024, the influence of sustainability on society has continued to evolve, influenced by developments in the world around them. In our double materiality assessment (DMA), NIBC has determined several topics to be material, including (potential) information-related impacts, personal safety of consumers, and social inclusion of customers. Although not a part of the ESRS required reporting framework, NIBC has also identified client satisfaction as material.

Please refer to Materiality [SBM-3] to see the full description of the related IROs, which are closely linked to our strategy:

- Consumers in markets served by NIBC have been faced by numerous impacts such as affordability of housing, a structurally tight housing market, high inflation, high energy prices and changing interest rates. Therefore increasing access to the housing market for vulnerable individuals and groups through favourable products and terms and conditions represents an opportunity for NIBC to pursue. This is further described in Social inclusion
- Cyber risks are growing rapidly throughout society and are a potential risk to NIBC and its customers. These risks include remediation of harms for clients, potential supervisory fines and increased maintenance costs to prevent and repair issues. Personal safety of consumers and or end-users is paramount for NIBC to ensure a trusted relationship with our customers. Maintaining the trust of customers is an important element in executing our strategy and therefore this topic has also a bearing on our strategy. Therefore potential data leaks of (confidential) client data represent an adverse risk and are an aspect that teams within NIBC are constantly working to prevent. This is addressed in Information security and related impacts for consumers and end-users.
- Lastly, two IROs are related to client satisfaction in relation to our service offering. This is an important entity-specific topic for NIBC to execute our client-focused strategy to attract and retain customers. The first IRO relates to (lack of) investing in in-person contact, knowledgeable client-facing staff and effective solutions. The second IRO concerns investing in improvements to our digital platform to offer user-friendly online and mobile banking services. These elements are addressed in Impacts and opportunities via our service offering .

Policies related to customer relationships [S4-1]

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.

Privacy statements describe NIBC's approach towards data privacy matters taking into account applicable laws and regulations. NIBC's new product approval and review policy (NPARP) and significant change approval and review policy (SCARP) for existing products include a review from sustainability and conduct subject matter experts. Please refer to NIBC Policies to see the full description of our policies and their alignment with internal standards.

No cases of non-respect for human rights related to consumers and end-users were reported for the reporting period.

Processes for engaging with consumers and end-users about impacts [S4-2]

NIBC's main product offerings for consumers are mortgages and savings accounts. We offer mortgage products which can also help to boost financial resilience, such as energy efficient mortgages. NIBC provides savings offerings to help consumers build their financial means.

Unlike many peers we do not offer current accounts, credit cards, or other high transactional volume products. This context differentiates NIBC in its relationship with our retail customers, how we engage with customers, the types of impacts and risks that might occur and the policies, procedures and other mechanisms that NIBC has in place to mitigate potential adverse impacts. We offer mortgages through intermediaries and online. Our mortgage products include an Originate-to-Manage (OTM) proposition in which we partner with institutional investors. To optimise our offerings and operations, NIBC works with third party service providers to efficiently process mortgage loans.

NIBC does not have a brick and mortar presence in terms of branches which consumers can visit, therefore we engage with consumers and end users through formal and informal channels and processes. These channels include direct communications via our call centre, customer surveys, online feedback and complaints mechanisms, and via intermediaries. Whether positive or negative, we take all feedback seriously and act on the findings. Customer feedback is monitored within each business unit, by NIBC's compliance and risk teams.

Processes to remediate negative impacts and channels to raise concerns [S4-3]

NIBC's call centre is available to answer questions and address any issues for our mortgage and savings customers. A complaints procedure on our corporate website guides customers and their legitimate representatives on the various possibilities to register a grievance and pursue appropriate remedy. Such incidents are handled in accordance with NIBC's Complaint Handling procedure which ensures that complainants receive a receipt confirmation in a timely manner (unless anonymous) and handling of the complaint within six weeks. Issues raised are monitored by the management teams of the relevant businesses, as well as compliance and legal teams where appropriate.

To further prevent or remediate impacts, NIBC offers a support programme for mortgage clients whose payments are in arrears. Our Special Servicing Mortgages team develops bespoke debt repayment schemes together with these clients. If the scheme fails or cannot be implemented, additional options for restructuring the loan can be discussed. An independent mortgage advisor may be invited to assess potential actions to reduce the interest rate or to mobilising the client's savings or investments to enable early redemption of part of the loan. In cases where unemployment is a root cause, we can call in a job coach.

From time to time we also host sessions engaging with civil society organisations including those in NIBC's NGO Boulevard to gain further insights in regard to challenges faced by vulnerable and marginalised groups. We also participate in banking sector expert pools, one of which is working toward a just climate transition and another which seeks to prevent harmful impacts related to the offering of financial products.

Measures related to impacts, risks and opportunities [S4-4]

To live up to our 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.

This aligns with NIBC's long-standing efforts toward social responsibility and community support. Well-defined terms and conditions of products offered aim to protect clients by outlining fair practices and ensuring that both the bank and the customer adhere to agreed-upon standards. This mutual protection fosters a sense of security and fairness, aiming to contribute to overall client satisfaction.

To date NIBC has not set specific targets in relation to these matters. At the same time we continue to monitor impacts and potential risks in order to refine our strategy and approach. For further information, please see impacts, risks and opportunities and our strategy.

Social inclusion

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 stems from the outcome of our double materiality assessment indicating that stakeholders viewed social inclusion as a potential opportunity for NIBC. 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. 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.

Information security and related impacts for consumers and end-users

When confidential or personal information belongs to a client and is entrusted to NIBC, we handle it with the utmost care. Cybercrime and loss of data more generally is a risk for NIBC as well as for all of our financial sector peers. With the increase of hybrid working this has further emphasised the relevance of sound systems and procedures.

Information security, data protection, and cybersecurity are essential to NIBC's business continuity management. We manage information according to the need-to-know principle and establish controls through segregation of duties. Our approach is also detailed in our Corporate Information Security Policy and our Data Protection Policy.

ACTIONS TO SECURE INFORMATION AND PROTECT DATA

To ensure NIBC's cybersecurity measures are securing information and protecting the data of consumers and end-users, we continue to invest in cybersecurity safeguards. Such safeguards include penetration testing and continuously assessing our information security and data protection measures. This also includes ensuring the correct follow-up actions towards stakeholders are taken when data breaches are detected.

NIBC investigates each identified data breach made known to us and reports these in a timely manner to data subjects and to our data protection regulators when required. We have policies in place that require staff to ensure that we do not leave confidential or personal data unattended such as a clear desk policy, information security policies, and additional security controls. We facilitate the use of secure communication channels wherever possible and require staff to adhere to security considerations for sensitive or confidential information. Our approach is detailed in our Corporate Information Security Policy and our Data Protection Policy. During 2024, we reviewed and updated our Corporate Information Security Policy and our Record Keeping Policy which is in place to ensure we adhere to legal requirements with respect to the retention of data.

Third parties such as vendors were reviewed and monitored for adherence to standards such as ISO 27001. NIBC has a dedicated corporate information security team supported by an internal Information Security Control Framework to ensure appropriate measures and controls are in place. Vulnerability assessments and IT security audits were performed of NIBC's systems and any practices affecting user data.

During 2024 all active employees completed mandatory information security and data privacy trainings. In addition, local trainings were conducted in Germany, Belgium and the UK. An awareness campaign was organised to ensure continuous attention and a high level of workforce awareness on information security. The campaign included topics such as how to avoid cyberbullying, strengthening password protection by using password managers and tips for managing security on personal devices.

Data privacy is overseen and monitored by NIBC's Data Protection Officer. During 2024, NIBC incurred five reportable data privacy breaches involving personal data. Whilst no legal consequences were identified, we take all data breaches – not just those which are reportable externally – very seriously. We analysed each one for lessons to be learned and took appropriate corrective actions. Often these were in the nature of reinforcing employee awareness of the need for constant attention to protecting client confidentiality and privacy. Additional adhoc training was carried out where necessary to supplement our regular awareness programme, which is mandatory for all employees.

Impacts and opportunities via our service offering

NIBC has various teams and resources dedicated to customer service. For our Mortgage business segment this includes our call centre and Special services mortgages team among others. For our Asset Based Finance business segment this focuses on having sufficient and well equipped client-facing staff that have the required sector knowledge. To ensure we meet the client expectations, staff of NIBC is provided with a development budget to facilitate trainings or attend conferences, such is further detailed in Training and skill development [S1-13]. Separately, we conduct client satisfaction surveys to understand our performance and gain insight in which areas further improvement is required. These are further described in Consumer and end-user insights: Client Satisfaction & Complaints.

As to our digital customer journey, continuous investments in technology and data capabilities are required. This takes time and resources to upgrade or replace technology, especially as advancements occur rapidly. To this end, NIBC provided training to staff on a Large Language Model tailored to NIBC's needs to safely engage with the use of AI. But also for clients the use of technology can provide a better customer journey. As an example, NIBC has invested in the use of already available source data in the application process for a mortgage, which assists in a more convenient, easier and faster process for customers. The Gouden Lotus Awards 2024 featured a sub-category (titled 'Brondata') to recognise efforts in using source data; which was won by NIBC's Lot mortgages label in the category mid-size mortgage provider.

Consumer and end-user insights: Client Satisfaction & Complaints

NIBC has not set any specific targets in relation to consumers and end-users. To gain valuable feedback as well as to inform ourselves about the effectiveness of engaging with clients, on a regular basis client satisfaction is measured. In addition, channels to raise complaints provide further feedback as to our service offering to clients and end-users.

Client Satisfaction

Happy customers are loyal customers. They are more likely to become brand advocates, an important component of the marketing for NIBC compared to traditional high street brick and mortar peers. Client satisfaction therefore is a key component to our current and indicator of future opportunity for NIBC.

Consumers satisfaction scores as at 31 December

	2024	2023
NPS score Asset Based Finance customers	70%	87%
NIBC customer survey score - Mortgages	8.3	8.3
NIBC customer survey score - Savings	8.1	8.0

NIBC actively seeks feedback from clients through surveys, direct communication, and other channels. This feedback is used to continuously improve products, services, and processes, ensuring that the bank meets and exceeds client expectations. A range of policies including our Code of Conduct, Sustainability Policy, Terms and Conditions, contribute towards a respectful, responsive and positive client relationship.

MORTGAGE AND SAVINGS CUSTOMERS

The terms and conditions of our mortgage products also reflect requirements set out by the Dutch Financial Market Authority (AFM) for mortgage providers in the Netherlands. NIBC guidance is provided to intermediaries offering NIBC and Lot mortgages with the goal of ensuring a good customer experience from the start.

During 2024, NIBC again externally commissioned a client satisfaction survey for mortgage and savings customers to better understand how they perceive our products and services. Survey results are reviewed and discussed with business segment management, the Sustainability Officer and Managing Board members. On a scale of 1 to 10, savings respondents gave an average rating of 8.1 for their general satisfaction with NIBC. Mortgage respondents gave a slightly higher rating of 8.3. These ratings are comparable to survey results in prior years.

Respondents who have had contact (telephone, email, chat or WhatsApp) with NIBC in the past three months were generally very satisfied with this contact. In cases where there was dissatisfaction it typically concerned the clarity of the answer or the extent to which their question/problem was solved. NIBC appreciates all feedback and will continue to do its utmost to serve its customers well.

Similar to the 2023 survey, mortgage clients were asked additional questions about sustainability within the 2024 survey. The percentage of clients who know it is possible to get an additional loan from NIBC specifically to make their home more sustainable has risen to nearly six out of ten. More than a third of mortgage respondents indicated they have plans to make their home more sustainable. Measures mentioned by respondents included window replacement, increased insulation, heat pumps and solar panels.

At the same time more than eight out of ten mortgage respondents who have made or are currently making their home more sustainable, did not request a new energy label. This is an indication that actual emissions may be lower than our current estimates disclosed for mortgages which are calculated using EPC labels as a proxy.

ASSET BASED FINANCE CUSTOMERS

On an annual basis client satisfaction is measured within the Asset Based Finance segment through Net Promoter Score (NPS) satisfaction surveys. It is calculated over the Asset Based Finance Infrastructure and Real Estate client base as per end October 2024, excluding distressed asset clients and internal clients. Our Asset Based Finance customer NPS score remained strong with a score of +70% (2023: +87%) showing continued corporate clients' satisfaction, but has declined by comparison to the prior year. The fluctuation is likely related to changes during 2024 in asset classes served in this segment.

Complaints from consumers and end-users

NIBC's complaints procedure is available for stakeholders and their representatives to raise complaints and where needed to pursue remediation. This provides valuable input to evaluate our services and direct focus for further improvement.

Complaints from consumers and/or end-users from 1 January - 31 December

	2024
Number of complaints received from consumers and/or end users during the reporting period	507

NIBC is dedicated to delivering high-quality service by maintaining clear and open communication, offering expert guidance, and ensuring timely and efficient processing of services. Regular training programs for employees help maintain a high standard of customer service.

No human rights issues or incidents related to consumers were reported for 2024, however we remain alert to this possibility. We continue to share and learn from best practices with peer banks and authorities to increase financial inclusion and build trust in the financial system.

OTHER SOCIAL MATTERS

NIBC's double materiality assessment has determined impacts, risks and opportunities related to Affected Communities and Workers in the value chain to be not material due to the current scope of our activities. Irrespective, NIBC continues to perform due diligence and maintain robust policies to identify potential impacts and manage and mitigate adverse risks to communities and workers in our value chain.

Governance

A proactive implementation of corporate governance practices and building good relationships with stakeholders is crucial to NIBC's ability to maintain a good corporate reputation. Our reputation is an outcome of stakeholders perceptions as to whether we are living up to our promises. Typically this begins with sound governance, a corporate culture and business conduct.

BUSINESS CONDUCT [G1]

Responsible business conduct is a reflection of corporate culture, vision, values and strategy. We aim to promote culture that enables NIBC to achieve its goals, is central to our customer-first approach, guides our decision-making, and engagements with our stakeholders.

In our double materiality assessment (DMA), NIBC has determined subtopics related to business conduct to be material for NIBC. Please refer to Materiality [SBM-3] to see an overview of the related impacts, risks and opportunities. These highlight the various aspects of business conduct and their relation with our strategy:

- A good company reputation is critical in an industry dependent on relationships and trust, and to build and maintain such a reputation is influenced by our Corporate culture [G1-1]. Culture is a key determining factor of how we engage, interact and act across our business activities. It is closely linked with our strategy and our operational resilience. For further information, please see impacts, risks and opportunities and our strategy. Therefore it is the starting point of ensuring responsible business conduct.
- Although not part of the ESRS reporting framework, we believe that a sound ESG risk management and Anti-Money Laundering risk management is pivotal in the execution of our strategy and for our operation as a financial institution. It ensures our business conduct is as can be expected and adheres to the highest standards. As a financial institution part of the financial system across Europe this can have material positive impacts by reducing risk and facilitating overall performance on sustainability matters. To improve our effectiveness these risk management categories are operationally integrated in our three lines of defence model which is further described at ESG and Anti-Money Laundering risk management.
- Part of a sound business conduct is promoting people to “speak up” which includes the ability for Whistleblowers to get heard and receive the required Protection of whistleblowers [G1-1], especially regarding maintaining confidentiality. Maintaining the trust of stakeholders is an important element in our strategy. It is therefore a risk if such measures are not available or found deficient in protecting the confidentiality of whistleblowers, as this may deter people to report and prevent the opportunity to correct a potential situation of wrongdoing.
- Corruption and bribery is a similarly important topic that requires adequate following up and monitoring of its related rules and regulations. Breach of such would greatly affect the reputation of any financial institution and could potentially harm our ability to execute our strategy. This is further elaborated at Corruption and bribery [G1-3].

Policies related to business conduct [G1-1]

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 respectively. 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.

NIBC's main policies related to business conduct include:

- Code of Conduct: This policy outlines the ethical standards and behavioural expectations for our workforce, promoting integrity, respect, professionalism, and fairness in all business dealings. More information is provided at Corporate culture [G1-1].
- Anti-Bribery and Corruption Policy: This policy sets out guidelines to prevent bribery and corruption, ensuring that all business transactions are conducted legally and ethically, and that employees avoid any actions that could be perceived as corrupt. More information is provided at Corruption and bribery [G1-3].
- Whistleblower Policy: This policy provides a secure and confidential way for employees to report any unethical, illegal, or suspicious activities without fear of retaliation, ensuring transparency and accountability within the organisation. More information is provided at Protection of whistleblowers [G1-1].

Together these policies aim to assure that NIBC conducts its business with high standards of ethics and integrity, fostering a culture of trust and responsibility. Please refer to NIBC Policies to see the full description of our policies and their alignment with leading international standards.

Corporate culture [G1-1]

NIBC's Managing Board members have a pivotal role in promoting and fostering NIBC's corporate culture. They are responsible for demonstrating a strong commitment to the Code of Conduct, setting the tone at the top, and leading by example. Their behaviour and decisions reflect the ethical standards outlined in the Code, reinforcing its importance throughout the organisation.

Code of Conduct

Our Code of Conduct is the main overarching policy which sets out NIBC's expectations in regard to conduct and is a core policy. Every new staff member signs the bankers oath when joining NIBC. The main principles of the policy are to be trustworthy, be accountable, to build value, be respectful and be responsible. The policy is accompanied by extensive guidance which is also regularly reviewed and updated to reflect relevant themes and challenges in NIBC's business environment. The policy is closely linked to NIBC's Purpose and Corporate Values.

The Managing Board holds all levels of the organisation accountable for upholding the Code of Conduct. They ensure that any breaches are investigated promptly and address any violations effectively if they occur which can include appropriate disciplinary actions. Ethical behaviour is non-negotiable.

They ensure that the Code of Conduct is communicated clearly to all workers, and that regular training programs are conducted to reinforce understanding and awareness. This helps to embed the principles of the Code into NIBC's company culture. For example, Managing Board members lead worker introduction sessions which emphasise responsible business conduct, integrity and corporate culture. In these sessions, new workers are introduced to our Purpose, Corporate Values and the Code of Conduct. In a separate session, new workers are asked to sign a Bankers Oath mirror which is publicly visible in the lobby area of NIBC's headquarters in The Hague. Taken together, these pledges reflect what NIBC expects of its workforce, what society expects of NIBC and what NIBC workers expect of each other.

The Managing Board also periodically reviews and approves updates to the Code of Conduct. This includes ensuring that appropriate policies and procedures are in place to promote compliance. This ensures that the Code remains relevant and effective in guiding ethical behaviour within NIBC. Guidance for the Code of Conduct integrates compliance and sustainability aspects, guiding workers in how to approach dilemmas and creating awareness in regard to other relevant policies.

Compliance training and awareness

NIBC conducts a Compliance and Integrity awareness programme for all new staff through mandatory e-learning on compliance as well as on data privacy. This is supplemented by compliance and business conduct training on for instance specific topics as a refresher or after updates of relevant policies, this is part of our regular training program and is mandatory for all staff.

This therefore covers at-risk functions. As part of NIBC's risk assessments and SIRAs, attention is given to identify functions at risk for bribery and corruption. These focus on client facing staff and decision makers, across a broad range of departments as procurement of product, service or (temporary) personnel is done across multiple department of the bank. Also consideration is given to functions within NIBC's operations involved in payment processes, where in payments control and check system (including 4-eyes principle) are part of procedures. General control measures performed for new hires include fraud and disciplinary checks.

In cases where checks or mandatory trainings are not completed before the set deadline, actions are taken in accordance with NIBC's internal procedures.

During 2024 NIBC continued its partnership with the International Chamber of Commerce's Week of Integrity, an initiative which brings together like-minded companies as part of a global effort to strengthen ethical standards, drive fair business practices, and contribute to a sustainable and just future.

ESG and Anti-Money Laundering risk management

When NIBC ensures that its (downstream) business operations provide for client engagement in a sustainable and responsible manner, stakeholders believe it creates an opportunity for NIBC. We become more attractive for investors, reliable and practical for customers, and responsible and accountable to our supervisors. Therefore it is seen to contribute to and enabler of our growth ambitions.

Our approach is operationalised at various stages of this engagement. Examples of relevant activities include on-boarding processes and procedures, client or asset risk assessments, questionnaires, and ongoing monitoring. These are organised in accordance with NIBC's anti-money laundering (AML) and compliance policies and processes, our Sustainability Framework, and internal control framework. Collectively these practices are designed to identify, assess, mitigate, and monitor ESG and AML risks.

Policies related to ESG and AML risk management

NIBC's Client Due Diligence policy sets out the main AML risk management processes roles and responsibilities to prevent money laundering in NIBC's business environment.

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 social 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. The overview in NIBC Policies provides a non-exhaustive summary of NIBC's policies to identify, manage and mitigate sustainability risks and adverse impacts related to our financings and operations.

Oversight and relation towards traditional types of risk

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.

NIBC has defined sustainability risks to be potential material drivers of traditional risk types such as credit risk, liquidity risk, operational risk, market risk and business risk. Therefore, our internal assessments also focus on these risk categories. Our latest assessment concludes that sustainability risks are primarily a potential driver of credit risk and operational risk (reputational risk, litigation risk). More details on the methodologies and management used for the traditional risk types, such as credit risk, market risk, operational risk and liquidity risk, are provided in Risk management.

Integration in daily practice

NIBC continues to take action to ensure effective operational management of sustainability and anti-money laundering risks, integrating these considerations into its Risk Management Framework.

Each business unit within NIBC is responsible for managing ESG and AML risks and opportunities as part of their regular activities within NIBC's three line of defence internal control model. To assist in fulfilling their role, training is provided to help all employees to recognise potential and actual incidents of money laundering, fraud and terrorist financing. Employees learn to reports such cases immediately and in accordance with NIBC’s stated procedures. Awareness in regard to sustainability, compliance and conduct matters is raised from the start of the employee journey as part of their introduction sessions.

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.

For anti-money laundering specifically, a dedicated KYC team assists the business teams of Asset Based Financing and Treasury with performing Customer Due Diligence (CDD) checks. Their actions include performing checks on new and existing clients to help prevent money laundering and terrorism financing. They also assist in performing sustainability risk assessments.

NIBC does not have specific targets regarding this topic. Effectiveness of ESG risk management is tracked via reporting to our RMC of internal KPIs such as the presence of an ESG risk assessment as part of a transaction proposal or number of high risk transactions. Lastly, the Operational Risk Management team monitors and reports on our "In Control" status within our Internal Control Framework. Our Internal Audit team independently conducts periodic audits across business units and functions. These efforts help NIBC to continuously improve, mitigating potential operational, reputation and litigation risks.

Protection of whistleblowers [G1-1]

Within our compliance framework, NIBC maintains a whistleblower policy and related processes to manage and to protect whistleblower confidentiality. NIBC promotes a "speak up" culture in which complaints or reports of wrongdoing may be raised safely and without fear of retribution.

NIBC is also legally obliged to have an internal reporting procedure for whistleblowing in place. Relevant regulations include the Dutch Whistleblower Act (Wet bescherming klokkenluiders) which establishes a duty of confidentiality and data protection. It also requires competent authorities to establish reporting channels and receive and handle reports in accordance with requirements. In establishing our grievance processes, NIBC has aligned its approach with the OECD Guidelines for Multinationals and the UN Guiding Principles on Business and Human Rights.

NIBC has several measures in place to protect whistleblowers, ensuring they can report concerns safely and without fear of retaliation. These measures include:

- We provide secure and confidential reporting channels for whistleblowers to report unethical, illegal, or suspicious activities. This includes dedicated email addresses, or online reporting platforms designed to protect the identity of the whistleblower.
- NIBC strictly enforces a non-retaliation policy to protect whistleblowers from any form of retaliation, harassment, or adverse consequences as a result of their reporting. This policy ensures that employees can raise concerns without fear of losing their job, facing demotion, or other negative repercussions.
- An anonymous reporting option is available where whistleblowers can choose to remain unidentified. This option provides an extra layer of protection and encourages individuals to come forward with their concerns.
- We have clear procedures in place for handling whistleblower reports, ensuring that they are taken seriously, investigated promptly, and dealt with appropriately. Whistleblowers also have access to support and guidance throughout the reporting process.
- NIBC conducts regular training and awareness programs to inform employees about their rights and protections as whistleblowers. This includes educating them on how to report concerns and the importance of coming forward with information about unethical behaviour. Whistleblower training is part of the new staff onboarding training package, and for all staff is provided bi-annually (last time conducted in 2023).
- All whistleblower reports are investigated by an independent and impartial party. This helps to maintain the integrity of the investigation and protects the whistleblower from any potential bias or influence.

By implementing these measures, NIBC fosters a culture of transparency and accountability, encouraging employees to report any wrongdoing and ensuring their protection throughout the process.

NIBC's Whistleblowing policy encourages our workforce to voice suspicions of bad practice and offers confidentiality to those who speak up in accordance with the policy. These are designed to ensure non-retaliation against complainants. In addition, Confidential advisors are available to support workers who have or are considering raising a grievance or complaint. NIBC's external complaints mechanism is available to all stakeholders and their legitimate representatives. When complaints are raised, NIBC is committed to investigate incidents promptly, independently and objectively.

NIBC has the following channels for whistleblowers to raise concerns:

- Whistleblower hotline (internal): NIBC offers this independent reporting channel through which a worker may report a concern in good faith in writing, verbally or in person. Members of the Whistleblowing hotline are designated Compliance staff. To ensure confidentiality, only the designated staff has access to the information related to the Whistleblower hotline. Human resources related complaints are

handled in accordance with procedures described in NIBC's Occupational Health & Safety Policy.
- A complaints procedure is available on NIBC's corporate website for stakeholders and their representatives to raise complaints and where needed to pursue remediation. External mechanisms are also mentioned among the possibilities available to potential complainants. A complaints committee oversees actual allegations and incidents when they arise and reports the outcomes to NIBC's Managing Board.

Anonymous reporting is possible in cases where a whistleblower prefers to remain anonymous, guidance of which is provided in NIBC's Whistleblowing Policy.

Corruption and bribery [G1-3]

NIBC takes a proactive approach to preventing and detecting bribery and corruption through a comprehensive framework of policies, procedures, and controls. As previously mentioned, these are complemented by our Code of Conduct which reinforces the importance of ethical behaviour and compliance with anti-bribery and corruption laws.

Policies related to corruption and bribery

Our compliance policy suite includes policies on Fraud Prevention and Anti-Bribery & Corruption (ABC), Conflicts of Interest, Sanctions, Gifts and Entertainment, and Prevention of Tax Evasion among others.

NIBC's business conduct policies are well established and aligned with the United Nations Convention Against Corruption. Important national and international/ European regulations relevant to NIBC include the Dutch Financial Supervision Act (Wft), anti-money laundering laws such as Wwft and AMLD4, as well as i.e. MiFID II, FATCA/CRS, GDPR and MAD/MAR.

Our policies apply to our workforce, including employees, non-employees and any person performing a service for or on behalf of NIBC. All of NIBC's business units are responsible for managing sustainability risks and opportunities as part of their regular activities. Our corporate policies are reviewed and updated every two years.

Preventing and detecting corruption and bribery

The most material processes to prevent and detect corruption or bribery related to clients are NIBC's Know Your Customer (KYC) process, due diligence undertaken as part of transaction origination and review processes. A source for detection can also be our Whistleblowing procedures or complaints mechanisms.

The processes aimed to prevent, detect and address allegations or incidents of bribery and corruption are managed by NIBC's compliance team. They are among the aspects addressed as part of NIBC's "In Control" assessment processes which lead to the In Control Report in this 2024 Annual Report.

We provide regular training and awareness programs to ensure that employees and our management and supervisory bodies understand the Code of Conduct, the ABC Policy, and their responsibilities in preventing bribery and corruption.

Prevention and detection of corruption or bribery

	At-risk functions	Managers	MB & SB	Own workers
Training coverage				
Total	105	105	12	648
Total in scope for 2024	0	6	0	206
Total receiving training in 2024	0	6	0	187
Delivery method and duration				
Classroom training	○	○	○	○
Computer-based training	●	●	●	●
Frequency				
How often training is required	during onboarding	during onboarding	during onboarding	during onboarding
Topics covered				
Identify and report	●	●	●	●
Definition of corruption	●	●	●	●
Definition of bribery	●	●	●	●
ABC policy	●	●	●	●

The competence matrix included in the (Supervisory Board Skills and Expertise) also supports ongoing development. Training on the topic of corruption and bribery is mandatory, and in 2024 a substantial number of employees have taken the training. The difference between those in scope and having received the training is related to people completing the training out of reporting period, already left before training was due and those still in the process of completing the training before its due date.

Incidents of corruption and bribery in 2024 [G1-4]

No incidents of bribery or corruption were reported or detected in 2024 among the events registered in NIBC's operational risk reporting system. Similarly, no bribery or corruption incidents were reported or detected in 2023.

Responsible business conduct (RBC) from 1 January - 31 December

	2024	2023
Number of convictions for violation of anti-corruption and anti-bribery laws	-	-
Fines for violation of anti-corruption or anti-bribery laws (EUR)	-	-
Number of confirmed incidents of bribery or corruption	-	-
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery related incidents	-	-
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	-	-

NIBC in the community

NIBC wants to be a good corporate citizen by contributing to the well-being of the communities which we serve. We encourage our employees to volunteer their time and expertise to community projects and support their initiatives by matching the money they raise for good causes.

NIBC NGO Boulevard

Launched in 2015, the NIBC NGO Boulevard in our The Hague office is a unique initiative that makes modern office space and professional facilities available to good causes. Civil society organisations in the NIBC NGO Boulevard include Maatschappelijke Alliantie, Stichting Vitalis, SDG Charter and Schuldhulpmaatje Den Haag. One focus area for all of these organisations and NIBC has been to contribute to Dutch efforts towards the SDGs through activities and initiatives. Our interactions, joint initiatives and workshops, and other activities have contributed to increased awareness at NIBC staff of human rights and environmental risks and impacts.

Supporting vulnerable children

NIBC employees supported Stichting Vitalis in an annual holiday tradition at the bank. Vitalis is a professional non-profit organisation that supports vulnerable children so they can avoid intensive professional youth counselling programmes. NIBC employees individually purchased personalised holiday gifts for about 100 children. The gifts were presented at a cupcake and glitter party hosted at NIBC for the children and their Vitalis buddies.

Winter jacket campaign

Together with Stichting Schuldhulpmaatje and The Zone, NIBC has organised a new initiative. NIBC's workforce has donated warm winter jackets which will be visible and available to those in need in early 2025 in the Hague. Awareness is being coordinated with other local charitable organisations.

Villa Pardoes

During 2024, Lot Hypotheken continued its partnership with Villa Pardoes, supporting families with a serious, potentially life-threatening sick child experience a unique holiday experience.

Financial inclusion

Week van het Geld (Global Money Week) activities continued in 2024, This financial education, financial inclusion and youth entrepreneurship initiative aims to teach young people about money. Several hundred primary school children participate in the "Bank voor de Klas" programme with NIBC staff and MB members.

Leadership and Corporate Governance

Corporate Governance

At NIBC, we endeavour to maintain a sound, transparent and effective governance system that is aligned with best practices in our industry.

NIBC's corporate governance structure has been organised to achieve effective corporate governance. In this structure we promote a constructive and transparent cooperation between our shareholder, the Supervisory Board and its subcommittees, the Managing Board and the Executive Committee.

The structures and processes we have developed provide an effective basis for making and implementing decisions across the organisation, with its hierarchical and functional reporting lines.

NIBC's website contains the articles of association, charters, relevant policies and other information on corporate governance, as well as NIBC's compliance statement with respect to the Dutch Banking Code. To the extent applicable, NIBC also adheres to international governance standards such as the EBA Guidelines on Internal Governance.

Two-tier board structure

As a large company, NIBC Holding N.V. is subject to the Large Company Regime (structuurregime), a regime that requiers the installation of a Supervisory Board.

As a result, NIBC maintains a two-tier board structure consisting of a Managing Board and a Supervisory Board. The Managing Board is responsible for day-to-day management, which includes, amongst other matters, formulating NIBC's strategy and policies and setting and achieving NIBC's objectives. The Supervisory Board supervises and advises the Managing Board. It is the priority of the Managing Board and the Supervisory Board to protect the interests of the company and its operations, rather than the interests of any particular stakeholder.

Following the merger of NIBC Holding N.V. into NIBC Bank N.V. per 1 January 2025, NIBC Bank N.V. will be subject to the Large Company Regime going forward.

Dutch Banking Code

The Dutch Banking Code, which came into effect as legislation on 1 January 2015, together with the introduction of the Social Charter and the implementation of the Bankers' Oath, is applicable to all employees of financial institutions in the Netherlands. NIBC supports the principles of the Banking Code to maintain trust, ensure stability and protect the interests of our stakeholders.

NIBC has implemented all procedural and operational measures required under the Dutch Banking Code. Our governance is fully aligned with the Banking Code as are our remuneration policies for staff and Managing Board members. Ever since the Banking Code came into effect, we have been running a programme for lifelong learning and holding regular training sessions for the Managing Board and the Supervisory Board, as is required by the Banking Code.

Amongst other matters, the Banking Code requires banks to operate in a sound and ethical way. Our corporate values are also aligned with this: professional, adaptive, collaborative and entrepreneurial (PACE). Our corporate values are the foundation of our company's activities, including our products and services, as well as our general performance, behaviour, attitude and the targets we set for our employees. Integrity is considered an essential part of the core value 'professional'.

NIBC's Code of Conduct guides us in the way we work at NIBC. Key themes are: doing the right thing, following the letter and the spirit of rules and doing what we say. You can find the Code of Conduct, updated in December 2023, including a one page summary for daily use, on our website. A detailed explanation of the Dutch Banking Code and an overview of NIBC's compliance with it can also be found on our website.

Capital structure

On 31 December 2024, a total of 146,487,535 ordinary shares were issued and outstanding all of which are owned by Blackstone. As a result of the merger between NIBC Holding N.V. (the disappearing entity) and NIBC Bank N.V. (the acquiring entity), as of 1 January 2025 a total of 62,586,749 ordinary shares of NIBC Bank N.V. were issued and outstanding all of which are owned by Blackstone.

Leadership

Composition of the Managing Board

As per 31 December 2024, the Managing Board of NIBC consisted of four Managing Board members, as shown below. As a collective, the Managing Board has thorough and in-depth knowledge of the financial sector in general and the banking sector in particular as well as a deep knowledge of IT and operations.

As at 31 December 2024

2024	Year of birth	Nationality	Member since	End of term[1]
Mr. P.A.M. de Wilt (CEO, Chair)	1964	Dutch	2014	2026[2]
Ms. C.M. Dumas (CFO)	1974	Dutch	2023	2027
Mr. R.D.J. van Riel (CRO, Vice-chair)	1970	Dutch	2016	2025
Ms. A.H.T.M. Schlichting (CTO)	1969	Dutch	2022	2026

1 These are the dates until which the appointment as statutory director runs. They do not refer to the expiry of employment contracts.
2 Resigned, effective 31 December 2024.

Sustainability performance indicators: Composition of the Managing Board

	2024	2023
Male	**2**	**2**
of which: executive	2	2
Female	**2**	**2**
of which: executive	2	2
Total number of Managing Board members	**4**	**4**

On 11 September 2024 it was announced that Nick Jue has been appointed as CEO of NIBC Bank N.V., such appointment having become effective as of 1 January 2025. Reinout van Riel will step down as CRO member of the Managing Board as of 7 March 2025 and will be succeeded by Sven de Veij.

Succession planning is proactively managed by the Supervisory Board to ensure continuity. Where searches for appointments to the Managing Board are conducted by NIBC or by search firms, they will identify and present a long list of candidates who are considered to meet the essential criteria for the relevant vacancy, whereby extra attention is paid to qualified candidates who contribute to the diversity and inclusivity as described in NIBC's Diversity policy as well as its Suitability policy. NIBC strives for a good gender balance at Managing Board level, which is at 50% as at 31 December 2024.

Managing Board Skills and Expertise

The charter of the Managing Board together with the Suitability policy govern the requirements for the skills and expertise of the Managing Board. Amongst other matters, members should have an up-to-date understanding of the business of NIBC and its risks. In addition, it demands an appropriate understanding of those areas for which an individual member is not directly responsible but for which they are collectively accountable together with the other members of the Managing Board. The areas of responsibility per individual member are detailed in an Annex to the Managing Board charter that is available at NIBC’s website.

The Competence Matrix illustrates the current expertise and skills of NIBC’s Managing Board, detailing how individual board members possess the competences as required by their role and function.

Competence matrix Managing Board




	Nick Jue CEO	**Reinout van Riel** CRO	**Claire Dumas** CFO	**Anke Schlichting** CTO
Banking products				
Asset Based Finance	●	●●	●	●
Retail Banking	●●	●	●●	●
Operations and Strategy				
Operations	●	●	●	●●
Business Strategy	●●	●●	●●	●
IT & Cybersecurity	●	●	●	●●
Risk Management	●	●●	●	●
Governance and Compliance				
Finance & Audit	●	●	●●	●
Legal & Regulatory	●	●●	●	●
Governance & Control	●●	●	●	●
Business Conduct	●●	●●	●●	●
People and Sustainability				
HR, Culture, Talent & Remuneration	●●	●	●	●
Sustainability	●	●	●●	●
Executive Experience	●●	●●	●●	●●
International Experience	Northwestern Europe	Northwestern Europe	Northwestern Europe	Northwestern Europe

● Has sufficient or high experience and knowledge in subject based on previous or current roles ●● Is considered to be an expert in subject based on previous or current roles

Executive Committee

As per 1 January 2017 an Executive Committee was formed consisting of the Managing Board members and non-statutory members. Effective as of 1 February 2024, the size of the Executive Committee has been reduced from 8 to 6 members, consisting of the four Managing Board members and Saskia Hovers and Michel Kant, responsible for (respectively) corporate and retail banking. Patrick Buxton, Chief Investment Officer, has become part of the CFO Management Team and reports directly to the CFO. Jurre Alberts, responsible for Corporate Development, reports directly to the CEO. These changes are driven by our commitment to enhancing efficiency and faster decision-making processes and to further streamlining our organisation.

At the end of 2024, the Executive Committee consisted of three female members and three male members. The Managing Board and the Executive Committee, which hold at least one meeting every two weeks, represent and balance the interests of all stakeholders. The non-statutory Executive Committee members participate in the discussions in meetings, but are not entitled to a vote.

In 2024, there were no transactions in which the members of the Managing Board or the Executive Committee had a conflict of interest. More information about the Managing Board and the Executive Committee, including short biographies, can be found on our website.

Composition of the Supervisory Board

As per 31 December 2024, the Supervisory Board was made up of three female and five male members of various nationalities. Five members of the Supervisory Board are independent members. The other three members are appointed on behalf of NIBC's shareholder. Between them they have extensive, international expertise in fields such as banking and finance, corporate governance and corporate management. In November 2024, the Supervisory Board has nominated three members, Leni Boeren, Joop Wijn and Qasim Abbas, for a further 4 year term, subject to the approval of the AGM of 7 March 2025.

As at 31 December 2024

Name	Year of birth	Nationality	Member since	End of term	Committee memberships[1]
Mr. D.M. Sluimers *(Chair)*[2]	1953	Dutch	2016	2028	AC, RPCC, RNC, RPTC (Chair)
Ms. A.G.Z. Kemna *(Vice-Chair)*[2]	1957	Dutch	2018	2026	AC, RPCC (Chair), RPTC
Mr. Q. Abbas	1976	British	2020	2025	RPCC
Ms. L.M.T. Boeren[2]	1963	Dutch	2021	2025	RNC, AC
Mr. M.P.L. Favetto	1988	French	2023	2027	RNC
Mr. J.J.M. Kremers[2]	1958	Dutch	2019	2027	AC (Chair), RPCC, RNC, RPTC
Mr. J.G. Wijn	1969	Dutch	2021	2025	AC, RPCC
Ms. S.M. Zijderveld[2]	1969	Dutch	2018	2026	AC, RNC (Chair), RPTC

1 AC – Audit Committee; RNC – Remuneration and Nominating Committee; RPCC – Risk Policy and Compliance Committee; RPTC – Related Party Transaction Committee.
2 Meets the independence criteria of the ESMA and EBA joint 'Guidelines on the assessment of the suitability of members of the management body and key function holders'.

Sustainability performance indicators: Composition of the Supervisory Board

	2024	2023
Male	**5**	**5**
of which: non-executive	5	5
of which: independent	2	2
Female	**3**	**3**
of which: non-executive	3	3
of which: independent	3	3
Total number of Supervisory Board members	**8**	**8**
Percentage of independent board members	63%	63%

Supervisory Board Skills and Expertise

NIBC requires its Supervisory Board to be in a position to meet its various responsibilities and duties towards NIBC and its stakeholders (including its shareholder, clients and regulators), consistent with applicable law and regulations. NIBC ensures that the composition of the Supervisory Board is such that the combined experience, expertise, complementarity and independence of its members enables the Supervisory Board to achieve the same. This is laid down explicitly in the Supervisory Board charter that is available on our website. On our website further detail is provided regarding those responsibilities as well as the guiding principles for the appointment of the members and composition of the Supervisory Board. A key element of these principles is the expertise individually or collectively held across those areas of strategic importance to NIBC.

The Competence Matrix illustrates the current expertise and skills of NIBC's Supervisory Board. This matrix details how individual board members possess key competencies relevant to their roles and responsibilities in alignment with the scope and activities of NIBC. Please note that this reflects the qualifications and experience developed before or during their tenure on the board. The matrix serves multiple purposes:

- Providing a clear overview of the board's collective expertise in areas critical to NIBC's strategic objections.
- Supporting ongoing professional development initiatives to further enhance the ability to provide well-informed and balanced oversight.

COMPETENCE MATRIX

The Competence matrix shows that collectively the members have expertise across the areas defined as being relevant to NIBC. This includes the relevant business areas of the bank, as well as key enabling functions for a bank such as Risk Management and Legal & Regulatory, as well as IT & Cybersecurity and HR & Culture. In addition, the Supervisory Board on a collective basis shows expertise across sustainability matters, which also includes for instance Climate & Environmental risk management as well as sustainable products offered (or developed to be offered) by NIBC. This could include Sustainability Finance and Transition Finance products.

Competence matrix Supervisory Board

	 Mr D.M. Sluimers Chair	 Mrs A.G.Z. Kemna Vice Chair	 Mr Q. Abbas	 Mrs L.M.T. Boeren	 Mr M.P.L. Favetto	 Mr J.J.M. Kremers	 Mr J.G. Wijn	 Mrs S.M. Zijderveld
Banking products								
Asset Based Finance	●●	●	●	●	●	●	●●	●
Retail Banking	●	●	●	●	●	●	●	●
Operations and Strategy								
Operations	●●	●	●	●	●	●	●	●●
Business Strategy	●●	●	●●	●●	●	●	●●	●●
IT & Cybersecurity	●	●●	●	●●	●	●	●	●
Risk Management	●	●●	●	●	●	●●	●●	●
Governance and Compliance								
Finance & Audit	●●	●●	●	●	●	●●	●●	●
Legal & Regulatory	●	●	●	●	●	●●	●●	●●
Governance & Control	●●	●●	●	●●	●	●●	●●	●●
Business Conduct	●	●	●	●●	●	●●	●●	●●
People and Sustainability								
HR, Culture, Talent & Remuneration	●●	●	●	●●	●	●	●●	●●
Sustainability	●	●●	●	●	●	●●	●	●
Executive Experience	●●	●●	●	●●	●	●●	●●	●●
International Experience	Northwestern Europe	Continental Europe, United Kingdom and the United States	Continental Europe and United Kingdom	Continental Europe, United Kingdom, Asia and the United States	Continental Europe and United Kingdom	Continental Europe, United Kingdom, North America and the Pacific	Continental Europe, United Kingdom, Asia, North America and South America	Northwestern Europe

● Has sufficient or high experience and knowledge in subject based on previous or current roles ●● Is considered to be an expert in subject based on previous or current roles

The collective expertise present matches the topics that were deemed material as per the double materiality assessment of NIBC that is further described in the Sustainability Statement**.** The Impacts, Risks and Opportunities that resulted from the double materiality assessment process centeer on themes such as climate change, impacts related to our clients, our own workforce and business conduct (including reference to our regulatory environment as a bank).

Please note that while climate change and the impact on our clients is not explicitly listed in the matrix, the above mentioned themes described are reflected in the following manner:

- As can be seen in the Environment paragraph in the Sustainability section the main impact NIBC has on the environment is via its financing and investing activities (part of Scope 3). As such, expertise across the products and services is of high importance to understand its related impact. Understanding the impact from those products and services is captured via the sustainability expertise qualification.
- This similarly goes for the impact on clients, also here the main means of which NIBC has an impact is via the offering of products and services. Lastly, the other two matters, being workforce and business conduct, are part of the matrix via respectively HR, culture, talent & remuneration and business conduct and indirectly have a bearing on other items such as the knowledge, expertise, control and performance across the whole bank. In addition to these specific topics, across the SB members there is broad banking expertise covering both domestic and international financial markets. NIBC has locations in North-Western Europe and serves clients (depending on the relevant asset class) across Europe. The international experience of our Supervisory Board matches that footprint. Note that all members of the Supervisory Board have passed the fit and proper test required under the Dutch Financial Supervision Act.

PERMANENT EDUCATION

Central to the continuous improvement of knowledge and expertise is the facilitation of permanent education (PE) sessions to the Supervisory Board, which may also include input from external subject matter experts. The members participate in these sessions to improve their knowledge on certain topics, but this also facilitates a direct exchange with either business representatives or other internal subject matter experts. Given the ever-evolving business environment of NIBC, this aims to keep the Supervisory Board up to date with NIBC-related current events and broader market or regulatory developments. In 2024, in addition to topics on the general SB agenda these permanent education sessions featured sustainability related topics as well as digital operational resilience, information technology strategy and the evolution of banks' capital requirements in the journey towards Basel IV. The sustainability session specifically addressed developments in measuring climate change impact of NIBC business activities (with focus on residential and commercial real estate), the use of science-based pathways and their place within applicable reporting requirements and, as with the majority of the other sessions, was facilitated by an external specialist. One of these sessions was facilitated by an external consultant that specialises in sustainability.

Diversity and succession

The Supervisory Board is confident that its composition and that of its committees contributes to fulfilling its tasks. The Supervisory Board is pleased with the knowledge and experience the representatives of NIBC's shareholder bring to the Supervisory Board as well as to the company. In the case of a vacancy, the regular policy is applied in which an executive search firm is asked to provide a shortlist with at least 50% female candidates, although final selection is ultimately based on suitability for a specific position. The Supervisory Board supports NIBC's belief in the importance and value of ensuring diversity and inclusion throughout the company.

Additional functions

Since the Dutch Act on Management and Supervision came into force on 1 January 2013, we have been monitoring the number of supervisory functions held by our Supervisory Board members. The *profile* for the Supervisory Board and their relevant ancillary positions can be found on our website.

Report of the Supervisory Board

NIBC reports a solid performance with a net profit of EUR 199 million and a Return on 13% CET 1 capital of 18.7%. In addition, NIBC has succesfully executed its strategic choices, as illustrated by the successful sale of its Shipping portfolio and its platform companies Beequip and yesqar. The strong capital position is demonstrated by a CET 1 ratio of 23.3%. In these uncertain times, liquidity management and access to different funding sources are critical and NIBC manages this well, demonstrated by a LCR of 334% and NSFR of 144%, and the successful issuance of both new AT1 securities and Tier 2 notes.

Throughout the year, NIBC's Supervisory Board has performed its duties towards the company's stakeholders, and had full access to all necessary information, company officers and staff members. We would like to extend our gratitude to all relevant stakeholders for providing us with this information and access.

During the course of 2024, members of the Supervisory Board had regular interaction with the Dutch Central Bank to discuss developments within NIBC.

Managing Board and Executive Committee

In 2024, the number of Managing Board members remained unchanged, albeit two changes were announced. On 8 March 2024, it was announced that Paulus de Wilt would step down as CEO and member of the Managing Board as of 31 December 2024 at the latest. He was succeeded by Nick Jue as of 1 January 2025. Reinout van Riel will step down as CRO and member of the Managing Board and will be succeeded by Sven de Veij with effect from the AGM on 7 March 2025. NIBC's Executive Committee (ExCo) consists of the Managing Board members together with, as at the end of 2024, Saskia Hovers (Corporate clients) and Michel Kant (Retail clients).

The members of the Managing Board attended all regular meetings of the Supervisory Board. The Supervisory Board has regular informal contacts with the non-statutory members of the Executive Committee to remain well-informed regarding developments throughout the focus areas of the individual ExCo members.

Meetings of the Supervisory Board

The Supervisory Board met on five regular occasions in 2024. This included four regular meetings in March, June, September and November spread over two days and a further meeting in August to discuss the half-year results. All members of the Supervisory Board were present in all regular meetings in 2024.

Additional calls were held with the Supervisory Board during the year to discuss various topics including strategic and business developments, succession planning, the ICAAP/ILAAP and the Recovery Plan.

The members of the Managing Board attended all regular meetings of the Supervisory Board. Additionally, two members of the Supervisory Board attended two meetings with the Works Council, together with the Chief Executive Officer.

During the meetings held in 2024, discussions took place on various (strategic) topics such as developments in NIBC's core asset classes, NIBC's non-core portfolio, strategic initiatives, succession planning, internal optimisations within different departments, advances made within the CTO domain, risk management, sustainability strategy and progress on the preparation of sustainability reporting, funding profile, remuneration and various regulatory requirements. During 2024, the quarterly, interim and annual results including draft press releases were discussed as well as the proposed interim dividend 2024 and budget for 2025.

The Supervisory Board also continued its permanent education (PE) programme, discussing regulatory topics such as DORA and Basel IV and topics related to sustainability target setting and IT strategy. Topics for the Permanent Education sessions are chosen in cooperation with the Supervisory Board, based also on input gained from assessing the competence and suitability matrix of the Supervisory Board.

The Supervisory Board committees

Most of the regular discussions and decisions of the Supervisory Board were prepared in the committees referred to below. The committees of the Supervisory Board each have an independent chair.

AUDIT COMMITTEE

The Audit Committee (**AC**) 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. In addition, the agenda also includes IT strategy, data integrity and quality , application of information and communication technology, reliability and continuity of the automated systems and the security of computer systems.

The AC met on four regular occasions in 2024 (in March, June, September and November). By mutual agreement the external auditor was represented at all meetings of the AC in 2024. The external auditor also had regular meetings during 2024 with the AC without the members of the Managing Board being present.

The chair of the AC prepared the meetings in advance by having meetings and calls with NIBC's CFO, CTO and its head of Internal Audit as well as the external auditor. The CTO also had preparatory meetings and calls and discussed the relevant topics with Leni Boeren, one of the AC members who acts as the CTO's sparring partner at Supervisory Board level. In between meetings, NIBC also actively shared relevant information with the chair of the AC.

The AC had in-depth discussions about NIBC's financial performance, including the impact of the rapidly changing interest rate environment on the development of the bank's risk profile, net profit, business growth and margins and the development of the cost/income ratio. Furthermore, the AC reviewed NIBC's funding profile and the development of related liquidity and solvency ratios, and the development of savings and savings rates. The AC was informed specifically on developments in the area of CSRD and data analytics.

Specific topics discussed with the auditor via its Management Letter 2024 as presented in the November meeting were the progress made on CSRD and DORA, financial and regulatory reporting, management overlay on ECL, as well as the hedge accounting project.

In addition to the regular topics previously mentioned, the AC also discussed and has taken notice of the ICAAP and ILAAP process and the budget for 2025. The external and internal auditors reported on their respective independence towards the AC which was further discussed by the AC.

The AC took note of and discussed NIBC's interactions with DNB. As part of the yearly cycle, the AC discussed the main observations made by DNB in its annual SREP letter and the impact on the business and capital position of the bank, especially focusing on the differences between NIBC Bank solo and NIBC Holding consolidated. The AC took note and actions as follow-up of DNB's observations from on-site inspections.

The AC discussed the annual plan and quarterly reports of Internal Audit. The AC continued to take note of the (timely remediation of) Measures of Improvement, which are generally based on observations by DNB, the external auditor and internal audit. Both the internal and external auditors reported on the quality and effectiveness of governance, internal control and risk management.

RISK POLICY & COMPLIANCE COMMITTEE

The Risk Policy & Compliance Committee (**RPCC**) assists the Supervisory Board in overseeing NIBC's risk appetite, risk profile and risk policy. It covers amongst other matters credit, market, investment, liquidity, operational and compliance/regulatory risks, and any other material (non) financial risks to which NIBC is exposed. In addition to these topics, also the rating of NIBC Bank and the annual review meetings with the rating agencies and the actions taken by the rating agencies were discussed. The RPCC met four times in 2024 (March, June, September and November).

During 2024, the RPCC extensively discussed NIBC's assets, liquidity and funding, stress tests and risk profile. Market sentiment, the general economic backdrop, including inflationary pressure and the geopolitical environment and its impact, increasing regulatory pressure and onsite inspections by regulators were frequent topics on the agenda of the RPCC. NIBC's operating environment and its internal processes and controls in light of mitigating potential risks remained important themes.

In 2024, the progress of NIBC's remedial actions with respect to the regulator's Internal Model Investigation were thoroughly discussed. The RPCC continued to focus on the operational risk profile and in-control environment, including amongst others specific risks such as information security, compliance and regulatory risk including the demanding regulatory environment. The committee also evaluated how risk awareness is embedded in NIBC's organisation, as well as its own functioning.

NIBC's long-term objectives as well as updates to the risk appetite framework, involving new metrics and revised limits remained on the agenda. Strategic planning and in particular the reduction of the non-core portfolio was a recurring subject.

Besides risk appetite and the quarterly reporting on the subjects received by the committee, the RPCC discussed in all of its meetings subsets of NIBC's corporate and retail credit portfolios, including appropriate risk measurement parameters for portfolio performance, as well as the bank's distressed portfolio. Other topics of particular relevance that the RPCC regularly reviewed included risks of the macroeconomic environment, inflation, interest rates and availability of foreign currency funding. Liquidity risk as well as interest rate dynamics were important themes.

Further, on the non-financial risk side, the RPCC reviewed NIBC's franchise as reflected in the experience of its customers, relations with the regulators, the views of the rating agencies and regularly reviewed and discussed regulatory, societal, ESG and market developments and their impact on NIBC, such as systematic integrity risk analysis, sustainability, residential mortgage loans interest rates and general affordability of borrowers.

REMUNERATION AND NOMINATING COMMITTEE

The Remuneration and Nominating Committee (**RNC**) advises the Supervisory Board on the remuneration of the members of the Supervisory Board, the Managing Board and certain other senior managers. In addition, it provides the Supervisory Board with proposals for appointments and reappointments to the Supervisory Board, its committees and the Managing Board.

The nomination processes in relation to the reappointment of Reinout van Riel and the appointments of, respectively, Nick Jue and Sven de Veij, were led by the RNC and further approved by the wider SB, with various additional meetings being held which ultimately led to such (re)appointments.

In November 2024, the Supervisory Board nominated three members, Leni Boeren, Joop Wijn and Qasim Abbas, for a further 4 year term. These reappointments are scheduled for approval at the AGM of 7 March 2025.

The RNC also assesses the performance of the members of the Managing Board and has at least annual meetings with the individual MB members on their performance and team work. Please refer to the Remuneration Report for further detail. It also carried out the preparations for a self-assessment of the Supervisory Board, to evaluate its composition and functioning and that of its committees. This led to the carrying out of an externally guided evaluation process, which was subsequently discussed during a meeting of the SB in October 2024.

The RNC monitors the remuneration policy as well as the execution of it, which entails discussing the total remuneration and defining the collective and individual performance targets that form the basis for the total remuneration of individual members of the Managing Board. Furthermore, the committee oversees the remuneration of the so-called Identified Staff employees whose professional activities have a material impact on NIBC's risk profile and determines the remuneration of the control functions.

In 2024, the RNC held five meetings, all in the presence of NIBC's head of Human Resources and, in appropriate cases, of NIBC's CEO. The RNC discussed the regular subjects regarding remuneration, risk and audit assessments, governance and variable income. Also under a topic of discussion during 2024 and discussed in the meeting of the RNC of November 2024 (and thereafter approved by the SB) was the overall governance and structure of the committees of the SB, with one of the matters agreed being the establishment of an additional committee of the SB, to be named the Sustainability and Technology Committee (as further described below). In addition, the RNC discussed topics such as the outcome of the employee satisfaction survey, talent development, diversity and equal pay within NIBC.

Remuneration management

The RNC reviewed the MB and SB Remuneration Policies twice this year, taking into account relevant legislation and guidelines, amongst others the European Banking Authority (EBA) guidelines on sound remuneration policies and (EBA) guidelines on internal Governance. Besides legislation, the RNC has taken market circumstances and developments into consideration. The positioning of NIBC in relevant labour markets was monitored by means of benchmark surveys.

Attention was also paid to broader developments in society, with the RNC taking into consideration public views about remuneration including in the financial industry Updates to the MB and SB Remuneration Policies were approved by the shareholder, in March 2024 and December 2024.

Given the importance of the subject, the RNC extensively discussed the overall available funding for variable compensation and determined the proposed distribution to Identified Staff. In this respect, the risk assessments (including malus and claw back assessments) were discussed and taken into account in the decision-making. Developments in the area of governance and legislation in this context were explicitly discussed in the RNC. The RNC also determined the obligatory disclosures relating to Identified Staff and on the remuneration policy.

Succession management

In its meetings, the RNC has closely monitored management development and succession planning generally throughout the bank.

RELATED PARTY TRANSACTIONS COMMITTEE

The Related Party Transactions Committee (**RPTC**) assists the Supervisory Board in assessing material transactions of any kind with a person or group of persons who hold, directly or indirectly, at least 10% of NIBC's issued and outstanding share capital, or at least 10% of the voting rights at the Annual General Meeting of shareholders. The same applies to any person affiliated with any such person(s) that meet(s) these criteria. A transaction will, in any event, be considered material if the amount involved exceeds EUR 10 million and/or that is considered inside information. The Supervisory Board has delegated the authority to approve such material transactions to the Related Party Transactions Committee.

In 2024, no meetings of the RPTC took place. In November 2024 it was decided, effective as of 1 January 2025, to retire the RPTC and to provide oversight of any transactions/situations that might need to be discussed in this regard from within the Supervisory Board directly.

SUSTAINABILITY AND TECHNOLOGY COMMITTEE

Sustainability and technology are subjects which require increased attention, partially driven by regulatory developments as well as by societal and general expectations. In order to reflect the importance and to ensure sufficient allocation of time and attention towards sustainability and technology, the Supervisory Board and the shareholder respectively approved the establishment of the Sustainability and Technology Committee (**STC**) as of 1 January 2025 and appointed Leni Boeren, Susi Zijderveld and Joop Wijn as members of the STC, with Leni Boeren acting as the STC chair.

Financial statements

The company and consolidated financial statements have been drawn up by the Managing Board and audited by EY Accountants B.V., who issued an unqualified opinion dated 6 March 2025. The Supervisory Board recommends that the shareholder adopts the 2024 Financial Statements at the Annual General Meeting. The Supervisory Board also recommends that the Annual General Meeting discharges the Managing Board and Supervisory Board for their respective management and supervision during the financial year 2024.

The Supervisory Board would like to express its gratitude to all stakeholders who continued supporting NIBC also in 2024, most notably to our highly professional, adaptive, collaborative and entrepreneurial employees. Thanks to their skills, expertise, agility and dedication NIBC could achieve these results in these challenging times.

The Hague, 6 March 2025

On behalf of the Supervisory Board of NIBC Bank N.V.

Mr. D.M. Sluimers, *Chair*

Ms. A.G.Z. Kemna, *Vice-Chair*

Mr. S.Q. Abbas

Ms. L.M.T. Boeren

Mr. M.P.L. Favetto

Mr. J.J.M. Kremers

Mr. J.G. Wijn

Ms. S.M. Zijderveld

Remuneration Report

The Supervisory Board reviewed and updated NIBC's remuneration policies in 2024 for the Supervisory Board and Managing Board. 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 ondernemingen, (W(N)BFO)).

NIBC's remuneration policies of the Managing Board and Supervisory Board for 2024 are outlined in this chapter. An overview of the remuneration components of other staff is also presented. Please see our website for further information about the remuneration policies of the Managing Board and Supervisory Board.

To avoid unnecessary duplication, we refer to note 8 Personnel expenses and share-based

Payments, 49 Related party transactions, of the consolidated financial statements in this Annual Report for all relevant tables. Information in regard to sustainability related remuneration is provided in the Sustainability Statement. These are considered to be an integral part of this Remuneration Report.

Remuneration principles

NIBC's remuneration policy is sustainable, balanced and in line with our chosen strategy, risk appetite and sustainability ambitions. It revolves around these six key principles: remuneration is (i) aligned with NIBC's business strategy, risk appetite 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 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.

Managing Board remuneration in 2024

In order to determine appropriate market levels of remuneration for the Managing Board, the Supervisory Board has reviewed in 2023 the benchmark peer group, consisting of comparable European financial institutions that are or were private equity-owned. The composition of this peer group has been adjusted marginally in 2023, based on current market developments and reflects the labour market in which NIBC competes for talent on Managing Board level. As such, it is an objective measure not based on an individual data point selected by NIBC. This updated peer group is used going forward to review the Managing Board's remuneration level in the regular remuneration process.

Throughout the cycle, total compensation for the CEO and members of the Managing Board is targeted just below the median of their peers in the peer group, based on benchmark data provided by external independent compensation consultants and publicly available information. The positioning just below the median of the peer group is in line with the Dutch Banking Code.

Base salaries

The base salaries of the Managing Board have not been amended in 2024. In 2024, the base salary for the CEO was EUR 1.518.915 gross per year. The base salary for the three other members of the Managing Board was EUR 1.104.666 gross per year. Base salaries are paid in 12 equal monthly payments.

Variable compensation

The CEO and the other members of the Managing Board are not eligible for an annual performance based variable compensation.

Pension

The CEO and other members of the Managing Board participate in the NIBC pension plan, in line with the arrangements available to all other employees. In 2024, the pension plan consisted of a) a collective defined-contribution pension arrangement (CDC arrangement) up to a (fiscal) maximum pensionable salary of EUR 137.800, and; b) an additional (gross) contribution of 25% up to their respective base salaries above the maximum pensionable salary. The retirement age for the CEO and other members of the Managing Board was 68 in 2024. There are no contractual early retirement provisions.

Over 2024, NIBC has paid a standard flat-rate contribution for the CDC arrangement of 26,0 % (for the Managing Board as well as for all other employees). All employees are required to make a personal contribution of 4,0% of their pensionable salary to the CDC arrangement. The gross contribution by NIBC for pensions above the (fiscal) maximum pensionable salary is set at 25%.

Other key benefits

The CEO and other members of the Managing Board are entitled to a company car up to a certain price limit or, if they prefer, the equivalent value of the lease car limit as a gross cash allowance. The CEO is entitled to the use of a permanent chauffeur whilst the other members of the Managing Board are entitled to the use of a chauffeur from the pool of chauffeurs unless otherwise agreed by the Supervisory Board.

As is the case with all our employees, the members of the Managing Board are entitled to a contribution towards their disability insurance, accident insurance and permanent travel insurance.

Total Remuneration overview

The total amount of the remuneration of the Managing Board over 2024 is shown in the following table:

In EUR	Managing Board	%
Base salary	4,832,913	62
Severance payments[1]	1,518,915	20
Pension	140,951	2
Other key benefits	1,249,070	16
Total	**7,741,849**	**100**

1 Includes severance payment of EUR 1,518,915 related to the termination of employment of the CEO.

Employment contracts

The CEO and members of the Managing Board all have indefinite employment contracts. Their appointment to the Managing Board is for a maximum term of four years. The term can be renewed. Any severance payment is limited to 12 months' base salary.

Other staff remuneration

In line with the DNB Principles, employees whose professional activities have a material impact on NIBC's risk profile are designated Identified Staff. Specific remuneration conditions may apply to Identified Staff (other than Managing Board members). The outlines of the remuneration policies for Identified Staff and other staff are given below. For further details on the policies for Identified Staff, please see our website.

Total compensation funding

Each year, based on a proposal by the Managing Board, the Supervisory Board decides, at its discretion, on the overall amount of money available for total compensation, the amount of money available for variable compensation and the specific forms in which variable compensation may be awarded.

Variable compensation

A limited group of selected employees who are eligible for variable compensation have a pre-agreed set of financial and nonfinancial (at least 50%) performance targets. Their performance assessments take into account the achievement of pre-agreed targets, how they have behaved according to NIBC's corporate values, as well as their contributions towards the bank's longer-term objectives. Non-financial performance aspects include client satisfaction, employee satisfaction, transparency, and sustainability. The Dutch Banking Code serves as a guideline for all employees.

Whether or not an employee actually receives a variable compensation for his or her performance, is wholly discretionary and depends on the overall financial and non-financial performance of the bank, of the respective business unit, personal performance and relevant market levels of remuneration. Employees do not qualify for variable remuneration if their performance has been inadequate or poor, if they have failed to meet duty-of-care or compliance requirements, if they have displayed behaviour contrary to NIBC's policies and corporate values, or if they were subject to disciplinary action.

For employees the variable compensation, if any, is delivered in various components: cash, deferred cash, PSUs or RPSUs. The Managing Board determines the precise split between cash and equity linked components, the proportion of deferred compensation and whether a threshold applies for the deferred component and, if so, how high that threshold is, and formalizes this in the employee remuneration policy.

A further decreasing group of employees in an originator function in the Netherlands is eligible for the Originator bonus scheme. When awarded it will be delivered in a pre-defined mix of 40% in PSUs and 60% in RPSUs. In addition, employees in the international branches are also eligible for variable compensation.

For Identified Staff variable compensation is delivered in a pre-defined mix: 30% in cash, 20% in deferred cash, 30% in PSUs and 20% in RPSUs. In this way, NIBC complies with regulations that require Identified Staff to receive 50% of all variable compensation in the form of equity-linked instruments and for at least 40% of both the cash and equity linked component to be deferred. Since 2021, proportionality is introduced in the legislative framework with regards to remuneration.

Special situations

Only in exceptional cases and only in the first year of employment the Managing Board can offer sign-on or guaranteed minimum bonuses to new employees. Additionally, the Managing Board can decide, in exceptional cases, to offer retention bonuses to existing employees. In the unlikely event that these bonuses amount to more than 100% of the base salary of the individual employee concerned, procedures will be followed in accordance with the regulations; the maximum ratio between fixed and variable remuneration will be respected.

Any severance payment made when NIBC terminates employment without cause, is subject to local legislation. For the Netherlands, the prevailing transition formula and, in the case of reorganisation, NIBC's Social Protocol, are applicable. Special compensation plans for specific groups of employees are subject to prior approval by the Managing Board, which annually informs the Remuneration and Nominating Committee (RNC) and Supervisory Board about these arrangements.

Supervisory Board remuneration in 2024

The SB remuneration is laid down in the SB remuneration policy. The remuneration level is based on the peer group of comparable European financial institutions that are or were private equity-owned. The SB remuneration consists of basic fees and attendance fees.

The annual fee of the Chair of the SB equals EUR 187,500. The Vice-Chair of the SB is entitled to an annual fee of EUR 100,000 and the other members of the SB are entitled to an annual fee of EUR 75,000. In addition, all Chairs of the AC, RPCC and RNC of the SB are entitled to an annual fee of EUR 27,500. Members of the AC, RPCC and RNC are entitled to an annual fee of EUR 11,000. Per meeting, an attendance fee can be applicable. For the Chair of the SB this equals EUR 5,000, for members of the Supervisory Board this fee is EUR 4,000. For the Chair and members of a committee, it equals EUR 2,500. All members of the SB are entitled to reimbursement of genuine business expenses incurred while fulfilling their duties.

Remuneration governance

In line with the various recommendations and guidelines issued by regulators, NIBC has strengthened governance around the annual remuneration process and agreed upon key roles for the Human Resources, Risk Management, Compliance, Audit and Finance functions (control functions).

The Supervisory Board discussed the performance and remuneration of Identified Staff, as well as the performance and remuneration of control functions. The Supervisory Board also discussed the highest proposed variable compensations in 2024. Scenario analyses were conducted by Risk Management to assess the possible outcomes of the variable remuneration components on an individual and collective basis.

Any vested amounts of variable remuneration are subject to clawback by the Supervisory Board in the event they have been based on inaccurate financial or other data, fraud, or when the employee in question is dismissed 'for cause'.

Moreover, in exceptional circumstances, the Supervisory Board has the discretion to adjust downwards any or all variable remuneration if, in its opinion, this remuneration could have unfair or unintended effects. In assessing performance against pre-agreed performance criteria, financial performance shall be adjusted to allow for estimated risks and capital costs. In addition to clawbacks, the concept of 'malus' is part of the remuneration policy. This is an arrangement that permits NIBC to prevent vesting of all or part of the amount of deferred compensation in relation to risk outcomes of performance. Malus is a form of ex-post risk adjustment, one of the key requirements in addition to ex-ante risk adjustments. If an employee resigns, any unvested amounts of variable compensation are forfeited. In 2024 no claw back of malus has been applied.

The internal report on compensation developments as part of the Works Councils Act (Wet op de Ondernemingsraden,) is discussed with the Managing Board, RNC as well as with the Works Council. This report provides information on the composition and development of compensation and benefits of its employees.

In 2024, the base salary pay ratio of the CEO compared to the base salary of the other members of the Managing Board was 1.4 (2023: 1.4).

In 2024, the average base salary pay ratio of the total Managing Board compared to the base salary of the non-statutory members of the Executive Committee was 2.6 (2023: 2.7).

In 2024, the base salary pay ratio of the CEO compared to the median fulltime base salary of all employees was 18.0 (2023: 18.6).

In 2024, the total remuneration ratio of the CEO compared to the median fulltime total remuneration of all employees was 18.8. NIBC also reports on gender pay gaps and when needed takes appropriate actions towards our goal of a near zero adjusted pay gap. NIBC has decided to report on two ratios:

- Equal Pay for Equal work, the adjusted pay gap taking in to account the position and experience.
- Equal Pay, an unadjusted pay gap to show the average difference between the salaries of women and men, not considering the position, seniority and experience.

Based on the figures (see below) it is concluded that NIBC is near its goal of equal pay for equal work. The overall adjusted gender pay gap (Equal Pay for Equal Work) is 0.86% (2023: 0.7%) for NIBC NL , which means that on average women are paid 0.86% less than men in 2024. At several levels the gap is effectively zero or is a gap in favor of women (men are paid less than women). The residual gap is mostly due to the level of seniority of an employee (less time in job profile). The unadjusted gender pay gap (Equal Pay) for women at NIBC is 19.55% (2023: 20.52%) which means that on average women are paid 19.55% less than men at NIBC.

Conclusion

The RNC 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. Furthermore, we aim to create the level playing field that regulators envisage with regard to variable compensation.

Disclosure on Dutch Remuneration Legislation for Financial Services Companies

The total amount of variable income granted in 2024 with respect to the performance over 2023, amounts to EUR 1.8 million. This grant consists of (direct and deferred) cash and (vested and unvested) equity-linked instruments (PSUs and RPSUs). In 2024, four employees were awarded a total compensation of more than EUR 1 million (2023: five employees).

In Control Report

The responsibilities of the Managing Board are anchored in the principles of the Dutch Financial Supervision Act (Wet op het financiële toezicht) and other regulations. These responsibilities include compliance with relevant legislation and the implementation and operation of risk management and control systems. These management and control systems aim to ensure reliable financial reporting and to control the downside risk to the operational and financial objectives of NIBC.

Risk management and control

In discharging its responsibility regarding internal risk management and control systems, the Managing Board acknowledges that in the normal course of business, shortcomings in processes and procedures arise. The Managing Board has made an assessment of the effectiveness of NIBC's internal control and risk management systems. Following identification of any shortcomings, mitigating controls are performed to determine that no material weaknesses or major control deficiencies remain. Based on this assessment and to the best of its knowledge, the Managing Board states that:

- the Report of the Managing Board in the Annual Report 2024 of NIBC provides a fair overview of material shortcomings of the internal risk management and control systems;
- NIBC's internal risk management and control systems provide reasonable assurance that NIBC's Annual Report 2024 does not contain any errors of material importance. To address identified weaknesses, additional controls and mitigating measures have been performed where necessary;
- there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities for at least twelve months, as evidenced by the details included in the Performance evaluation section, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements;
- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of the Group in the coming twelve months.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realisation of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations. Nor can they provide certainty that we will achieve our objectives.

Responsibility statement

In respect of Article 5:25c, Section 2 (c) (1 and 2) of the Dutch Financial Supervision Act, the members of the Managing Board of NIBC Bank N.V., as governing body after the effectuation of the legal merger between NIBC Bank N.V. (acquiring company) and NIBC Holding N.V. (disappearing company) on 1 January 2025, hereby confirm, to the best of their knowledge, that:

- The annual company and consolidated financial statements give a true and fair view of the assets, liabilities, financial position and income statement of NIBC and its consolidated group companies;
- The Report of the Managing Board gives a true and fair view of the situation on the balance sheet date and developments during the financial year of NIBC and its consolidated group companies;
- The Report of the Managing Board describes the material risks which NIBC faces.

The Hague, 6 March 2025

On behalf of the Managing Board of NIBC Bank N.V.

Mr. N.C. Jue, *Chief Executive Officer and Chair*

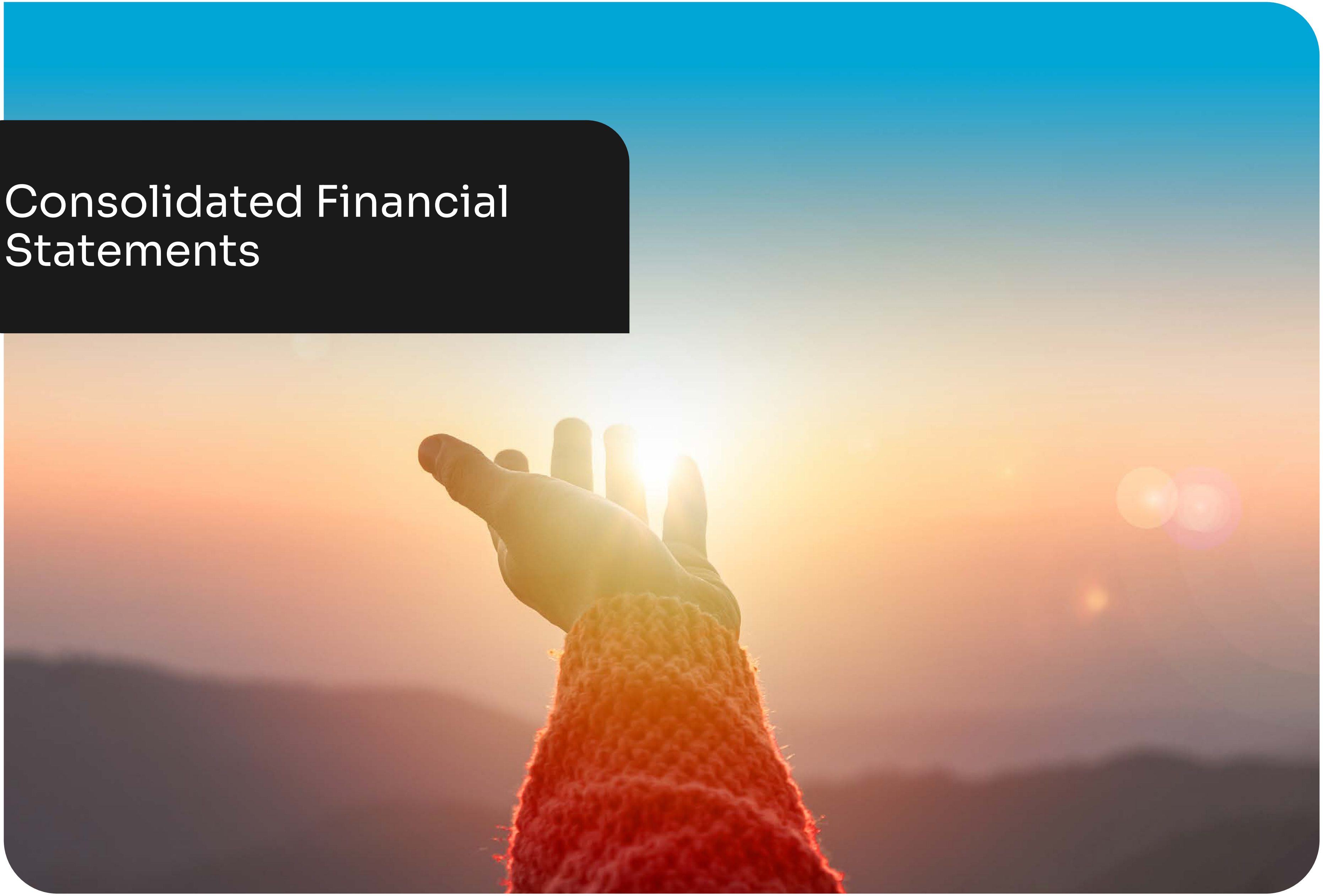
Mr. R.D.J. van Riel, *Chief Risk Officer and Vice-Chair*

Ms. C.M. Dumas, *Chief Financial Officer*

Ms. A.H.T.M. Schlichting, *Chief Technology Officer*

Financial Statements

Consolidated Financial Statements



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Small differences are possible due to rounding

Consolidated income statement

for the years ended 31 December

in EUR millions	note	2024	2023
Interest income from financial instruments measured at amortised cost and fair value through other comprehensive income	2	941	821
Interest income from financial instruments measured at fair value through profit or loss	2	13	15
Interest expense from financial instruments measured at amortised cost	2	499	354
Interest expense from financial instruments measured at fair value through profit or loss	2	16	19
Net interest income		**439**	**463**
Fee income	3	38	41
Investment income	4	1	(2)
Net trading income	5	7	8
Net gains or (losses) from assets and liabilities at fair value through profit or loss	6	12	29
Net gains or (losses) on derecognition of financial assets measured at amortised cost	7	4	(0)
Other operating income		15	7
Operating income		**517**	**545**
Personnel expenses and share-based payments	8	112	107
Other operating expenses	9	108	108
Depreciation and amortisation		4	4
Regulatory charges and levies	10	8	19
Operating expenses		**231**	**237**
Credit loss expense	11	20	25
Gains or (losses) on disposal of assets		12	7
Profit before tax		**277**	**289**
Income tax	12	69	73
Profit after tax		**208**	**216**
Attributable to			
Shareholders of the company		199	204
Holders of capital securities		9	12

Consolidated statement of comprehensive income

for the years ended 31 December

in EUR millions	note	2024	2023
Profit after tax		**208**	**216**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property and equipment	24	2	0
Movement in the fair value of own credit risk of financial liabilities designated at fair value through profit or loss	34	(26)	(84)
Items that may be reclassified subsequently to profit or loss			
Net result of hedging instruments	34	(1)	(3)
Movement in revaluation for debt investments at fair value through other comprehensive income	16/34	2	7
Income tax effect on net current period change		**(1)**	**(1)**
Total other comprehensive income (net of tax)		**(24)**	**(81)**
Total comprehensive income		**185**	**135**
Total comprehensive income attributable to			
Shareholders of the company	34	175	123
Holders of capital securities	35	9	12
Total comprehensive income		**185**	**135**

Consolidated statement of financial position

as at 31 December

in EUR millions	note	2024	2023
Assets			
Cash and balances with central banks	13	3,096	1,994
Due from other banks	14	598	551
Derivative financial instruments	15	83	156
Debt investments at fair value through other comprehensive income	16	1,174	897
Debt investments at fair value through profit or loss	17	11	11
Mortgage loans at amortised cost	18	13,622	12,911
Corporate loans at amortised cost	19	4,096	4,889
Loans at fair value through profit or loss	20	96	153
Lease receivables	21	1	1,281
Equity investments (including investments in associates)	22	115	124
Investment property	23	24	24
Property and equipment (including right-of-use assets)	24	26	145
Intangible assets		1	3
Tax assets	25	3	8
Other assets	26	5	30
Assets held for sale	27	-	-
Total assets		**22,951**	**23,177**

as at 31 December

in EUR millions	note	2024	2023
Liabilities			
Derivative financial instruments	15	104	129
Due to other banks	28	54	372
Deposits from customers	29	12,499	11,769
Debt securities in issue	30	7,740	8,408
Tax liabilities	25	20	22
Provisions	31	7	10
Accruals and other liabilities	32	83	90
Subordinated liabilities	33	442	224
Liabilities held for sale	27	-	-
Total liabilities		**20,948**	**21,025**
Equity			
Share capital	34	3	3
Share premium	34	1,287	1,287
Revaluation reserves	34	12	10
Own credit risk reserve	34	(0)	25
Retained profit	34	501	626
Equity attributable to the shareholders		**1,803**	**1,952**
Capital securities	35	200	200
Total equity		**2,003**	**2,152**
Total liabilities and equity		**22,951**	**23,177**

Consolidated statement of changes in equity

in EUR millions	note	Attributable to Share capital	Share premium	Revaluation reserves	Own credit risk reserve	Retained profit	Equity of the company	Capital securities	Total equity
Balance at 1 January 2024		**3**	**1,287**	**10**	**25**	**626**	**1,952**	**200**	**2,152**
Profit for the year 2024		-	-	-	-	199	199	9	208
Other comprehensive income for the year ended 31 December 2024		-	-	2	(26)	-	(24)	-	(24)
Transfer of realised depreciation revalued property and equipment		-	-	-	-	0	0	-	0
Additions		-	-	-	-	-	-	200	200
Redemptions		-	-	-	-	-	-	(200)	(200)
Other		-	-	-	-	0	0	-	0
Distributions									
Cost of capital securities	35	-	-	-	-	(2)	(2)	-	(2)
Paid coupon on capital securities	35	-	-	-	-	-	-	(9)	(9)
Dividend paid during the year		-	-	-	-	(322)	(322)	-	(322)
Balance at 31 December 2024		**3**	**1,287**	**12**	**(0)**	**501**	**1,803**	**200**	**2,003**

		Attributable to							
in EUR millions	note	Share capital	Share premium	Revaluation reserves	Own credit risk reserve	Retained profit	Equity of the company	Capital securities	Total equity
Balance at 1 January 2023		**3**	**1,287**	**7**	**110**	**557**	**1,964**	**200**	**2,164**
Profit for the year 2023		-	-	-	-	204	204	12	216
Other comprehensive income for the year ended 31 December 2023		-	-	3	(84)	-	(81)	-	(81)
Transfer of realised depreciation revalued property and equipment		-	-	-	-	0	0	-	0
Other		-	-	-	-	0	0	-	0
Distributions									
Paid coupon on capital securities	35	-	-	-	-	-	-	(12)	(12)
Dividend paid during the year		-	-	-	-	(136)	(136)	-	(136)
Balance at 31 December 2023		**3**	**1,287**	**10**	**25**	**626**	**1,952**	**200**	**2,152**

Consolidated statement of cash flows

in EUR millions	note	2024	2023
Operating activities			
Profit before tax for the year		**277**	**289**
Adjustments for non-cash items			
Depreciation, amortisation and credit loss expenses	11/24	24	29
Share in result of associates and joint ventures	4	(2)	(3)
Total adjustments for non-cash items		**22**	**26**
Changes in operating assets and liabilities			
Derivative financial instruments	15	48	(98)
Operating assets		1,273	(592)
Operating liabilities (including deposits from customers)		412	224
Income tax paid		(66)	(48)
Cash flows from operating activities		**1,968**	**(199)**
Investing activities			
Acquisition of equity investments	22	(3)	(3)
Disposal of equity investments	22	10	43
Disposal of subsidiaries, associates and joint ventures	42	32	-
Acquisition of property and equipment	23/24	(23)	(59)
Cash flows from investing activities		**16**	**(20)**

in EUR millions	note	2024	2023
Financing activities			
Repayment of issued debt securities	30	(14)	-
Proceeds from the issuance of own debt securities	30	29	1,754
Repayment of issued own debt securities	30	(710)	(1,298)
Proceeds from the issuance of debt securities related to securitised mortgages		-	(221)
Proceeds from the issuance of subordinated liabilities	33	203	2
Repayment of issued subordinated liabilities	33	(1)	(82)
Final and interim distribution	34	(322)	(136)
Proceeds from the issuance of capital securities	35	200	-
Repayment of capital securities	35	(200)	-
Coupon payments on capital securities	35	(9)	(12)
Cash flows from financing activities		**(825)**	**7**
Cash and cash equivalents at 1 January		**2,254**	**2,465**
Net foreign exchange difference		3	(0)
Net increase/(decrease) in cash and cash equivalents		1,158	(211)
Cash and cash equivalents at 31 December		**3,414**	**2,254**

in EUR millions	note	2024	2023
Reconciliation of cash and cash equivalents			
Cash and balances with central banks (maturity three months or less)	13	2,901	1,811
Due from other banks (maturity three months or less)	14	513	443
		3,414	**2,254**
Supplementary disclosure of operating cash flow information			
Interest paid		515	373
Interest received		954	836

Accounting policies

AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of NIBC Holding N.V. for the year ended 31 December 2024 were prepared by the Managing Board of NIBC Bank N.V. and subsequently authorised for issue by the Supervisory Board and Managing Board of NIBC Bank N.V. on 6 March 2025. On 1 January 2025 a legal merger has been effectuated between NIBC Holding N.V. (disappearing entity) and NIBC Bank N.V. (surviving entity). Consequently, NIBC Holding N.V., a public limited liability company, incorporated under Dutch law and registered at Carnegieplein 4, 2517 KJ The Hague, the Netherlands (Chamber of Commerce number 27282935) ceased to exist. As a result, the activities of NIBC Holding N.V. have been integrated and continued in NIBC Bank N.V. Shareholders of NIBC Holding N.V. became shareholders of NIBC Bank N.V.

NIBC Holding N.V. together with its subsidiaries (NIBC or the Group) provides a broad range of financial services to corporate and retail clients. For more information on NIBC's business model and financial services, reference is made to the Report of the Managing Board in this Annual Report and the Segment report in these consolidated financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

The notes to the consolidated financial statements, including the audited information in the Risk management section, are an integral part of these consolidated financial statements. This section describes NIBC's material accounting policies and critical accounting estimates or judgements to the consolidated financial statements. If an accounting policy or a critical accounting estimate relates to a specific note, it is included in the relevant note.

The accounting policies have been consistently applied to all the years presented, unless stated otherwise.

Statement of compliance

NIBC's consolidated financial statements have been prepared in accordance with the accounting *International Financial Reporting Standards as adopted by the European Union* (together **IFRS-EU**) and with Title 9 of Book 2 of the Netherlands Civil Code, where applicable.

Basis of preparation

The Managing Board and Supervisory Board have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections show that the Group has sufficient financial resources (i.e. liquidity buffers) for at least the coming 12 months. Accordingly, the Managing Board and Supervisory Board have adopted the going concern basis in preparing these consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for:

- Financial assets and liabilities (including derivative instruments, equity investments, investments in associates) and certain classes of (investment) property *measured at fair value through profit or loss* (**FVtPL**);
- Financial assets held for both collecting contractual cash flows and sale *measured at fair value through other comprehensive income* (**FVOCI**);
- Assets held for sale - measured at the lower of their carrying amount and fair value less costs to sell (refer to note 27 Assets and liabilities held for sale).

The financial statements are presented in euro rounded to the nearest million, except when otherwise indicated.

Changes in accounting policies

CHANGES IN INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

New standards and amendments to standards become effective at the date specified by IFRS-EU, but may allow companies to opt for an earlier application date.

There are no new standards or amendments to standards as adopted by the EU, that are material to NIBC.

The International Accounting Standards Board (**IASB**) issued its new standard IFRS 18 'Presentation and Disclosures in Financial Statements' (**IFRS 18**) that will replace IAS 1 'Presentation of Financial Statements'. The new standard aims at improving the comparability and transparency of entities' performance reporting in their financial statements.

IFRS 18 is not yet endorsed and would be effective for annual reporting periods beginning on or after 1 January 2027. NIBC did not early adopt IFRS 18. NIBC is still assessing the impact of IFRS 18 on NIBC's financial performance and financial position.

There are no other upcoming changes published prior to 31 December 2024 that are material or relevant to NIBC.

Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying NIBC's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the relevant explanatory notes.

Accounting policies for the most significant areas that require management to make judgements and estimates affecting reported amounts and disclosures are made in the following sections:

- Expected credit loss of financial instruments not measured at FVtPL (refer to section Credit risk (audited));
- Income taxes (refer to note 12 Income tax);
- Fair value of certain financial instruments (refer to note 36 Fair value of financial instruments and note 30 Debt securities in issue); and
- Consolidation of structured entities (refer to note 45 Structured entities).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A management overlay has been recognised to reflect the estimation uncertainty at 31 December 2024. For the full disclosure of the impact of the estimation uncertainty on the ECL and the management overlay for the different portfolios reference is made to section Credit risk (audited).

In 2024, there are no significant changes in the application of the accounting policies as a result of the these developments.

Basis of consolidation

The consolidated financial statements are comprised of the financial statements of NIBC and its subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. The accounting policies of subsidiaries (including structured entities that the bank consolidates) have been changed where necessary to ensure consistency with the accounting policies adopted by NIBC.

NIBC applies the predecessor value method (carry-over accounting) for legal mergers into NIBC or the Group.

Foreign currency translation

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. *Foreign Exchange* (**FX**) gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of financial instruments denominated in foreign currency that are classified at FVOCI are distinguished between FX translation differences and other changes in the carrying amount of the loan. FX translation differences are recognised in the income statement and other changes in the carrying amount are recognised in OCI.

FX translation differences on non-monetary assets and liabilities at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary items classified at FVOCI are included in the revaluation reserve in Other Comprehensive Income (**OCI**).

GROUP COMPANIES

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities presented are translated at the closing rate at each reporting date;
- Income and expenses for each income statement are translated at weighted average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- All resulting exchange differences are recognised as a separate component of equity.

Financial instruments

RECOGNITION, CLASSIFICATION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which NIBC commits to purchase or sell the asset.

On initial recognition, financial assets are classified as *measured at amortised cost* (**AC**), FVOCI or FVtPL.

A debt instrument is measured at AC if it meets both of the following conditions:
- it is held within a business model that has an objective to hold financial assets to collect contractual cash flows;
- the contractual terms of the financial asset result in cash flows that are *Solely Payments of Principal and Interest* (**SPPI**) on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions:
- it is held within a business model, which aims to achieve its objectives by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset result in cash flows that are SPPI.

Equity instruments are accounted for at FVtPL. Other financial assets, not specifically mentioned above, are measured at FVtPL and consist of held for trading assets, assets mandatorily measured on a fair value basis and financial derivatives.

Forward purchases and sales, other than those requiring delivery within the time frame established by regulation or market convention, are treated as derivative forward contracts.

Business model assessment

NIBC determines the nature of the business model, for example if the objective is to hold the financial asset and collect the contractual cash flows, by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management.

Financial assets that are managed on a fair value basis are measured at FVtPL insofar as the associated business model is neither to hold the financial assets to collect contractual cash flows nor to hold to collect contractual cash flows and sell. NIBC mainly originates loans to hold to maturity. NIBC considers the activities of lending to hold and lending to sell as two separate business models.

Loans originated under Originate-to-Manage contracts for third parties are not recognised by NIBC.

NIBC decides to determine its business models at the combination of product and sector level, e.g., corporate loan facilities in the different sectors or residential mortgages in the Netherlands.

Contractual cash flow characteristics

In assessing whether the contractual cash flows are SPPI, NIBC considers whether the contractual terms of the financial asset contain a term that could change, in a material way, the timing or amount of contractual cash flows arising over the life of the instrument, which could affect whether the instrument is considered to meet the SPPI criteria.

The contractual provisions will pass the SPPI test as long as the interest and provisions reflects consideration for the time value of money, for the credit risk associated with the instrument during the term of the instrument and for other basic lending risks and costs, as well as profit margin.

A prepayment option which substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for the early termination of the contract, would result in contractual cash flows that are SPPI on the principal amount outstanding. This means that prepayment amounts will still meet the SPPI criteria even if it includes what is deemed reasonable and market-conform compensation for early repayment.

All financial instruments are initially measured at fair value. In the case of financial instruments subsequently measured at AC or FVOCI, the initial fair value is adjusted for directly attributable transaction costs.

Classification of assets and liabilities held for trading

Financial instruments held for trading include:
- all derivatives with a positive (asset) or a negative (liability) replacement value except those that are designated as effective hedging instruments;
- other financial assets acquired principally for the purpose of selling or repurchasing in the near term, or that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Classification and measurement of financial liabilities

Financial instruments are classified as financial liabilities where the substance of the contractual arrangement results in NIBC having a present obligation to deliver either cash or another financial asset or to satisfy the obligation other than by the exchange of a fixed number of equity shares.

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities.

Financial liabilities are initially recognised at their fair value and subsequently measured at AC, except for the following instruments:

- Financial liabilities held for trading;
- Financial liabilities that NIBC has irrevocably designated at initial recognition as held at FVtPL, when the instruments are held to reduce an accounting mismatch, are managed on the basis of their fair value or include terms that qualify as an embedded derivative that cannot be separated.

Measurement of financial liabilities classified at FVtPL follows the same principles as for financial assets classified at FVtPL, except that the movement in the fair value of the financial liability that is attributable to changes in NIBC's own credit risk is presented in OCI.

ACCOUNTING POLICY FOR EXPECTED CREDIT LOSSES (ECL)

NIBC recognises loss allowances for ECL on financial assets measured at AC or FVOCI, loan commitments and financial guarantee contracts as credit loss expenses.

NIBC calculates ECL based on three probability-weighted scenarios (baseline, upturn and downturn) to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to NIBC in accordance with the contract and the cash flows that NIBC expects to receive. *12-month ECL* (**12M-ECL**) and *Lifetime ECL* (**LT-ECL**) are calculated as a probability weighted-average over the three macroeconomic scenarios and are based on the unbiased and *Point-in-Time* (**PiT**) estimates of *Probability Default* (**PD**), *Loss Given Default* (**LGD**) and *Exposure at Default* (**EAD**).

Refer to the Credit risk (audited) section for full disclosure on scenarios and scenario weights as well as used macroeconomic scenarios and other factors.

ECL changes are recognised within the income statement in credit loss expense, with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at AC in the statement of financial position. For financial assets measured at FVOCI, the carrying value is not reduced, but an accumulated amount is recognised in OCI.

For loan commitments and other credit facilities in scope of ECL, expected cash shortfalls are determined by considering expected future drawdowns during the contractual life of the instruments. For loan commitments relating to revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For fully undrawn loan commitments and letters of credit, the ECL allowance is presented within provisions.

NIBC's liability under a financial guarantee contracts is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, NIBC estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are presented within provisions.

NIBC has a portfolio of lease receivables. NIBC elected to apply the general, not the simplified, ECL approach for lease receivables.

NIBC applies the low credit risk exemption for part of the debt investments, being the liquidity portfolio. The liquidity portfolio refers to the liquidity buffer managed by the treasury department, consisting of highly liquid unencumbered debt investments (measured at FVOCI) including derivatives used for risk management. NIBC considers a debt investment to have low credit risk when its credit risk rating is equivalent to the definition of 'investment grade'.

Recognition and measurement of ECL

- 12M-ECL is recognised from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in stage 1. For instruments with a remaining maturity of less than 12 months, ECL is determined for this shorter period.
- LT-ECL is recognised if a *significant increase in credit risk* (**SICR**) is detected subsequent to the instrument's initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Instruments in this category are referred to as instruments in stage 2. The moment SICR is no longer observed, the instrument moves back to stage 1. The stage 2 EIR calculation for the corporate exposures consists of

the current base rate plus an add-on. This rate is fixed to discount the cash-flows over the remaining life of the loan until its legal maturity. This rate applies to the different financial instruments, including undrawn loan commitments and financial guarantees. The EIR calculation for retail mortgage loans is based on the current coupon rate. The rate is fixed over the remaining life of the loan until its contractual maturity date.

- LT-ECL is also recognised for credit-impaired financial instruments, referred to as instruments in stage 3. NIBC recognises the LT-ECL, based on individual cash flow estimates at facility level determined by the *Restructuring & Distressed Assets* (**RDA**) department. RDA applies at least three scenarios (unless it is 100% impaired) and assigns probabilities to each of these scenarios. Focus is on recovery of the client, while in parallel an enforcement strategy, a loan trade or sale of the company are usually considered as alternative scenarios. The method is conceptually similar to that for stage 2 assets, but requires an individual assessment. For the purpose of the impairment calculation, the EIR is approximated by the sum of the applicable swap rate plus the original contractual margin.
- Changes in LT-ECL since initial recognition are also recognised for assets that are *purchased or originated credit impaired* (**POCI**) financial assets. POCI assets are initially recognised at fair value. NIBC only recognises the cumulative changes in LT-ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR. POCI assets include financial instruments that are newly recognised following a substantial restructuring and remain a separate ECL-category until maturity or derecognition.

Credit-impaired exposures may include positions for which no loss has occurred or no allowance has been recognised, because they are expected to be fully recoverable through the collateral held.

Expected credit loss measurement period

The maximum period for which the ECL is determined is the contractual life of a financial instrument unless NIBC has the legal right to call it earlier. For revolving facilities the ECL is measured over the period NIBC is exposed to credit risk.

Significant increase in credit risk

Financial instruments subject to ECL are monitored on an on-going basis which includes an assessment whether SICR has occurred. The assessment criteria include both quantitative and qualitative factors. Qualitative factors are forbearance measures, Watch List and/or managed by RDA and the quantitative factor is an increase in *probability of default* (**PD**) since initial recognition.

The following table discloses the SICR triggers for the three major asset classes subject to ECL determination. The Watch List consists of obligors that are not managed by RDA but have experienced decreased credit quality and as a result require closer monitoring.

SICR trigger	Corporate loans	Mortgage loans	Debt investments
Significant change in lifetime PD since initial recognition	Yes, threshold is a number of notches downgrade (between 1 and 7 notches downgrade depending on the rating at initial recognition).	Yes, threshold is an increase of 30% of lifetime PD.	Yes, based on 3 notch change in external rating, to a rating below Investment Grade (<BBB-).
Facility is forborne	Yes	Yes	Yes
Client is on the Watch List or Trigger List (Debt Investments)	As determined by the managing department applying watch list triggers.	n/a	Individually assessed.
Client is transferred to RDA (not yet defaulted)	Yes, determined by managing department.	n/a	n/a
Facility is 30 days past due (unless rebutted)	Yes, indirectly as it is a Watch List trigger. Materiality threshold is set at 1% of the exposure with a minimum of EUR 500.	Yes	Yes
Interest only exposure divide by indexed market value is greater than 65%	No	Yes	No
Fraud indicator	Yes, indirectly as it is a Watch List trigger.	Yes	n/a

The following table discloses the SICR trigger for corporate loans following significant change in lifetime PD since initial recognition. The PD rating corporate loans are scaled over 22 notches. SICR triggers for lease receivables follow a similar methodology as for the corporate loans.

PD Rating Corporate Loans	SICR Trigger determined by number of notches downgrade	Remark
1	-7	
2+	-6	
2	-5	
2-	-4	
3+ to and including 4	-3	
4- to and including 6-	-2	
7+ to and including 7-	-1	
8	not applicable	a downgrade will lead to a default rating and per definition to stage 3
9 and 10	not applicable	rating 9 and 10 are per definition stage 3

As soon as the payment in arrear has been resolved or settled and no other impairment trigger is applicable, the borrower can become performing again after a probation period of at least three months in case all arrears have been cured by payments. However, if the defaults are resolved by agreeing an amendment (restructuring) a longer probation period applies of at least one year. The forbearance probation period is two years.

Default and credit impairment

NIBC has fully aligned the implementation of the prudential definition of default, the supervisory definition of Non-Performing exposures and the accounting definition of credit-impaired exposures in NIBC's definition of default, systems and monitoring, accounting and reporting processes.

An obligor or credit facility is considered to be in default when either one or both events have taken place:

1. NIBC considers that the obligor is unlikely to pay its credit obligations to NIBC in full, without recourse by NIBC to actions such as seizing collateral;
2. The obligor/facility is past due more than 90 days on any material credit obligation to NIBC.

An instrument is classified as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

1. significant financial difficulty of the issuer or the client;
2. a breach of contract, such as a default or past due event;
3. NIBC, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the client a concession(s) that NIBC would not otherwise consider;
4. it is becoming probable that the client will enter bankruptcy or other financial reorganisation;
5. the disappearance of an active market for that financial asset because of financial difficulties; or
6. the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Once a financial asset is classified as defaulted/credit-impaired (except POCI assets), it remains as such unless all past due amounts have been rectified, additional payments have been made on time, the position is not classified as credit-restructured, and there is general evidence of credit recovery. If a financial asset 'cures', so that it is transferred back to stage 2 or stage 1, the adjustment required to bring the loss allowance to the amount required is presented as a credit loss recovery in the consolidated income statement.

Write-off

A write-off is made when all or part of a financial asset is deemed uncollectible or forgiven (e.g. in cases of bankruptcy or distressed restructuring). Write-offs reduce the principal amount of a claim and are charged against previously established allowances for credit losses. Recoveries, in part or in full, of amounts previously written off are credited to credit loss expense. Write-offs and partial write-offs represent derecognition / partial derecognition events.

DERECOGNITION, RESTRUCTURED AND MODIFIED FINANCIAL ASSETS

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) NIBC transfers substantially all the risks and rewards of ownership, or (ii) NIBC neither transfers nor retains substantially all the risks and rewards of ownership and NIBC has not retained control.

When a counterparty is in financial difficulties or where default has already occurred, NIBC may restructure financial assets by providing concessions that would otherwise not be considered and that are outside of NIBC's normal risk appetite, such as preferential interest rates, extension of maturity and subordination. When a credit restructuring takes place, each case is considered individually and the counterparty is classified as defaulted until the loan is collected or written off, non-preferential conditions are granted that supersede the preferential conditions, or until the counterparty has recovered and the preferential conditions no longer exceed NIBC's risk appetite.

Concessions granted when there is no evidence of financial difficulties, or where changes to terms and conditions are within NIBC's usual risk appetite, are not considered to be a credit restructuring.

Modifications represent contract amendments that result in an alteration of future contractual cash flows and that can occur within NIBC's normal risk appetite or as part of a credit restructuring where a counterparty is in financial difficulties.

NIBC derecognises a financial asset, such as a loan, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised in the income statement. If the new discounted present value using the original *effective interest rate* (**EIR**) is at least 10% different from the original financial assets carrying value, NIBC considers the modification as substantial. Qualitative thresholds to indicate whether a modification may be substantial are for example a change in currency or change in counterparty. Where the modification does not result in a derecognition, any difference between the modified contractual cash flows discounted at the original EIR and the existing gross carrying value of a financial asset is recognised in profit or loss as a modification gain or loss. Furthermore, the subsequent SICR assessment is made by comparing the risk of default at the reporting date based on the modified contractual terms of the financial asset with the risk of default at initial recognition based on the original, unmodified contractual terms of the financial asset.

Offsetting
Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, NIBC has currently a legally enforceable right to set-off the amounts and the group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS.

Collateral
NIBC enters into master agreements and Credit Support Annexes (**CSA**) with counterparties whenever possible and appropriate. Master agreements provide that, if the master agreement is being terminated as a consequence of an event of default or termination event, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis. In the case of a CSA with counterparties, the group has the right to obtain collateral for the net counterparty exposure.

NIBC obtains collateral in respect of counterparty liabilities when this is considered appropriate. The collateral normally takes the form of a pledge over the counterparty's assets and gives NIBC a claim on these assets for both existing and future liabilities.

NIBC also pays and receives collateral in the form of cash or securities in respect of other credit instruments, such as derivative contracts, in order to reduce credit risk. Collateral paid or received in the form of cash or cash equivalents is recorded in the statement of financial position at AC.

Statement of cash flows
The statement of cash flows, based on the indirect method of calculation, gives details of the source of cash and cash equivalents that became available during the year and the application of these cash and cash equivalents over the course of the year.

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks and net credit balances on current accounts with other banks.

The cash flows are analysed into cash flows from operating activities, including banking activities, investment activities and financing activities. Movements in loans and inter-bank deposits are included in the cash flow from operating activities. Investing activities are comprised of acquisitions, sales and redemptions in respect of financial investments, as well as investments in and sales of subsidiaries and associates, property and equipment. The issuing of shares and the borrowing and repayment of long-term funds are treated as financing activities. Movements due to currency translation differences as well as the effects of the consolidation of acquisitions, where of material significance, are eliminated from the cash flow figures.

Fiduciary activities
NIBC acts in fiduciary activities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets are excluded from these financial statements as they are not assets of the Group. Related fee income arising thereon is recognised under fee income in the income statement.

Notes to the consolidated financial statements

1 SEGMENT REPORT

Accounting policy for segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Managing Board of NIBC.

Segment assets, income and results are measured based on NIBC's accounting policies and include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Liabilities are not allocated and reported to the chief operating decision-maker, but the related funding costs are allocated to the segments using an internal fund transfer pricing framework. NIBC reports interest income and expense on a net basis for the segments as NIBC uses the net interest income as a performance measure instead of gross interest income and expense. Transfer prices between operating segments are at an arm's length basis in a manner similar to transactions with third parties. No operating segments have been aggregated to form the segments described below.

Operating segments

The operating segments are as follows:

MORTGAGES

The Mortgages segment reflects all activities related to mortgage lending and includes our offering in Owner-Occupied mortgage loans (both for own book and as Originate-to-Manage) and Buy-to-Let mortgage loans. The mortgage loan products are offered in the Netherlands.

ASSET BASED FINANCE

The Asset Based Finance segment consists of our corporate asset classes. In this segment we focus on asset-based lending within the asset classes Real Estate and Infrastructure. In the first half of 2024 NIBC decided to sell its Shipping portfolio. This transaction was closed in the second quarter of 2024. Consequently, the Asset Based Finance segment result includes the H1 2024 results related to the Shipping asset class. Products are mainly offered in Northwestern Europe.

PLATFORMS

The Platforms segment includes the various ventures (Beequip and yesqar) that NIBC has launched in recent years, which aim to provide alternative financing solutions to clients. In the first half of 2024, NIBC decided to investigate strategic options for both Platform companies. This has led to the sale of both Beequip and yesqar. Both transactions were closed in the fourth quarter of 2024. The Platforms segment result of 2024 includes both the operating result for the period that the entities were part of NIBC's Group and the transaction results on both transactions.

NON-CORE ACTIVITIES

A number of activities are reported as non-core as they are not part of NIBC's strategic focus. These activities are managed in a separate segment with the aim to reduce exposures and operations, and without new origination.

TREASURY & GROUP FUNCTIONS

Treasury & Group functions includes NIBC's Treasury function, Asset and Liability Management, Risk Management and the bank's Corporate Centre which includes HR & Corporate Communications, Internal Audit, Legal & Compliance, Sustainability, Operations & Facilities, Information Technology, Data & Analytics, Finance, Tax, Corporate Development and Retail Savings. A substantial part of the operating expenses as well as Full Time Equivalents **(FTEs)** of Group functions are allocated to the segments Mortgages, Asset Based Finance, Platforms and Non-Core Activities.

Interest expenses per segment are based on the matched funding principle with funding being provided by Treasury & Group functions. Fund transfer prices are determined per currency and different maturity buckets. Operational expenses are allocated based on an internal allocation model, in which a distinction is made between direct and indirect allocations. For indirect allocations, NIBC uses various keys, such as transaction volumes or FTEs, direct allocations are activity-based.

Certain financial assets and liabilities are not allocated to Mortgages, Asset Based Finance, Platforms and/or Non-Core Activities segments as they are managed on a group basis. These financial assets and liabilities are held within the segment Treasury & Group functions and mainly comprise cash, debt investments, derivative assets and liabilities as well as the majority of the Group's funding, including retail savings. As the assets of the operating segments are funded internally with transfer pricing, NIBC's external funding is held within Treasury & Group functions.

Segment income statement

The following tables present the segment report consisting of a summary of our internal management report and the reconciliation to the consolidated results under IFRS for the years ended 31 December 2024 and 31 December 2023:

	For the year ended 31 December 2024					
in EUR millions	Mortgages	Asset Based Finance	Platforms	Non-Core Activities	Treasury & Group functions	Total (consolidated financial statements)
Net interest income	99	107	61	18	154	**439**
Fee income	35	2	-	1	0	**38**
Investment income	-	-	-	1	0	**1**
Net trading income	1	1	-	2	4	**7**
Net gains or (losses) from assets and liabilities at fair value through profit or loss	0	(5)	(8)	(0)	25	**12**
Net gains or (losses) on derecognition of financial assets measured at amortised cost	-	5	-	(1)	-	**4**
Other operating income	0	0	15	-	0	**15**
Operating income	**136**	**109**	**69**	**21**	**182**	**517**
Other operating expenses[1]	63	44	20	16	80	**224**
Regulatory charges and levies	-	-	-	-	8	**8**
Operating expenses	**63**	**44**	**20**	**16**	**88**	**231**
Net operating income	**73**	**65**	**49**	**4**	**94**	**286**
Credit loss expense	(3)	(0)	12	12	(0)	**20**
Gains or (losses) on disposal of assets	-	-	12	0	-	**12**
Profit before tax	**76**	**66**	**49**	**(7)**	**94**	**277**
Income tax	20	17	10	0	23	**69**
Profit after tax	**56**	**49**	**40**	**(7)**	**71**	**208**
Attributable to						
Shareholders of the company	56	49	40	(7)	62	**199**
Holders of capital securities	-	-	-	-	9	**9**
FTEs	185	141	-	55	215	**597**
Segment assets	13,880	3,513	-	877	4,680	**22,951**

1 Other operating expenses include all operating expenses except regulatory charges and levies.

	For the year ended 31 December 2023					
in EUR millions	Mortgages	Asset Based Finance	Platforms	Non-Core Activities	Treasury & Group functions	Total (consolidated financial statements)
Net interest income	102	98	50	27	186	463
Fee income	36	1	-	3	1	41
Investment income	-	(1)	-	(2)	(0)	(2)
Net trading income	(0)	0	-	6	2	8
Net gains or (losses) from assets and liabilities at fair value through profit or loss	(0)	1	0	1	27	29
Net gains or (losses) on derecognition of financial assets measured at amortised cost	-	(0)	-	(0)	-	(0)
Other operating income	0	(0)	7	-	0	7
Operating income	**138**	**99**	**57**	**35**	**215**	**545**
Other operating expenses[1]	64	45	19	30	61	218
Regulatory charges and levies	-	-	-	-	19	19
Operating expenses	**64**	**45**	**19**	**30**	**80**	**237**
Net operating income	**75**	**54**	**38**	**5**	**135**	**308**
Credit loss expense	1	0	5	19	(0)	25
Gains or (losses) on disposal of assets	-	-	-	7	-	7
Profit before tax	**73**	**54**	**33**	**(7)**	**135**	**289**
Income tax	19	14	9	(1)	32	73
Profit after tax	**55**	**40**	**24**	**(6)**	**103**	**216**
Attributable to						
Shareholders of the company	55	40	24	(6)	91	204
Holders of capital securities	-	-	-	-	12	12
FTEs	166	176	106	88	158	695
Segment assets	13,288	3,849	1,726	1,151	3,162	23,177

1 Other operating expenses include all operating expenses except regulatory charges and levies.

NIBC operates in four geographical locations namely the Netherlands, Germany, the United Kingdom and Belgium. The following tables present the income and expenses incurred at each location for the year ended 31 December 2024 and 31 December 2023:

	For the year ended 31 December 2024				
in EUR millions	The Netherlands	Germany	United Kingdom	Belgium	Total
Operating income	489	14	7	7	**517**
Operating expenses	215	7	6	3	**231**
Credit loss expense	20	(0)	-	-	**20**
Gains or (losses) on disposal of assets	12	-	-	-	**12**
Profit before tax	**265**	**7**	**1**	**4**	**277**
Income tax	65	2	0	1	**69**
Profit after tax	**201**	**5**	**1**	**2**	**208**
FTEs	557	14	20	6	**597**
Assets split between geographical locations	22,947	4	-	-	**22,951**

	For the year ended 31 December 2023				
in EUR millions	The Netherlands	Germany	United Kingdom	Belgium	Total
Operating income	519	15	6	5	**545**
Operating expenses	223	8	4	3	**237**
Credit loss expense	25	(0)	-	-	**25**
Gains or (losses) on disposal of assets	7	-	-	-	**7**
Profit before tax	**278**	**7**	**2**	**2**	**289**
Income tax	72	0	0	0	**73**
Profit after tax	**206**	**6**	**2**	**2**	**216**
FTEs	656	16	18	5	**695**
Assets split between geographical locations	23,171	5	-	-	**23,177**

2 NET INTEREST INCOME

Accounting policy for interest income and expenses

Interest income and expense on financial instruments are recognised using the *Effective Interest Rate* (**EIR**) method to the gross carrying amount, except for those financial instruments measured at FVtPL, or credit-impaired financial assets.

The EIR is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. Interest income from financial assets measured at FVtPL is recognised applying the contractual interest rates. Interest income from credit-impaired financial assets is calculated by applying the effective interest rate to the amortised cost of the financial asset, i.e., the gross carrying amount less the expected credit loss. Negative interest from liabilities is recognised as interest income and negative interest from financial assets is recognised as interest expense. Penalty interest is directly recognised under interest income in case of early redemption or an interest rate reset.

In accordance with IFRS 16 Leases, revenue from finance lease contracts are included in interest income and revenue from operating lease contracts in other operating income.

in EUR millions	2024	2023
Interest and similar income		
Interest income from financial instruments measured at amortised cost and fair value through other comprehensive income	**941**	**821**
Cash and balances central banks	78	74
Due from other banks	12	9
Derivatives related to assets at amortised cost	7	(56)
Debt investments	36	26
Mortgage loans	379	347
Loans	343	344
Lease receivables	86	77
Other	1	0
Interest income from financial instruments measured at fair value through profit or loss	**13**	**15**
Derivatives	4	3
Debt investments	1	2
Loans	8	9
	954	**836**
Interest expense and similar charges		
Interest expense from financial instruments measured at amortised cost	**499**	**354**
Cash and balances central banks	12	12
Due to other banks	9	14
Deposits from customers	327	190
Derivatives related to liabilities at amortised cost	-	(1)
Loans	2	3
Debt securities	145	134
Subordinated liabilities	3	2
Other	1	0
Interest expense from financial instruments measured at fair value through profit or loss	**16**	**19**
Derivatives	3	4
Debt securities	4	4
Subordinated liabilities	9	11
	515	**373**
	439	**463**

Hedge accounting is applied for the derivatives related to assets or liabilities at AC. For further details on hedge accounting refer to note 15 Derivative financial instruments.

Net interest income amounted to EUR 439 million in 2024 (2023: EUR 463 million), showing 5% decrease compared to prior year.

The increase in interest income is mainly due to positive portfolio developments for mortgages and leases during 2024, combined with higher interest rates during 2024 compared to 2023. Higher interest expense is mainly driven by increasing volumes for deposits from customers and higher interest rates during 2024 compared to 2023.

3 FEE INCOME

Accounting policy for fee income and expenses

After identifying contracts and their performance obligations, fee income is recognised when a service is provided to a client. The transaction price is allocated to each performance obligation. Fee income is measured based on consideration specified in a legally enforceable contract with a client, taking into account discounts and rebates.

Fee income can be divided into two categories:

- fees earned from services that are provided over a certain period of time, such as (Originate-to-Manage) asset or investment management, which are recognised ratably over the period provided;
- fees earned from point in time services such as underwriting and performance-linked fees from investment management activities, which are recognised when the service has been completed.

in EUR millions	2024	2023
Fee income recognised over time		
Originate-to-Manage mortgage loans	35	36
Originate-to-Manage corporate loans	0	3
Credit guarantee fee	1	-
Fee income recognised at a point in time		
Upfront fees	2	2
	38	**41**

The fee income related to *Originate-to-Manage* (**OTM**) mortgages includes origination fees of EUR 2 million (2023: EUR 5 million) and management fees of EUR 33 million (2023: EUR 32 million). The limited growth of OTM mortgage exposure explains the stable management fee and decrease in origination fees. The decrease in OTM corporate loans relates to the sale of NIBC's North Westerly CLO Platform in 2023.

4 INVESTMENT INCOME

Accounting policy for investment income

Investment income includes the following:

- Realised and unrealised (revaluations) gains or losses from associates, joint-ventures and equity investments at FVtPL, whereby dividend income is recognised when NIBC’s right to receive payment is established.
- Share in result of associates using the equity method. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in NIBC’s share of the investees net assets. NIBC's profit or loss includes its share of the investee's profit or loss.

in EUR millions	2024	2023
Share in result of associates and joint ventures accounted for using the equity method	2	3
Equity investments at fair value through profit or loss		
Gains less losses from associates	(5)	2
Gains less losses from other equity investments	5	(7)
Gains less losses from debt investments	0	(0)
	1	**(2)**

Investment gains in 2024 of EUR 1 million (2023: loss of EUR 2 million) consists of EUR 2 million unrealised losses (2023: EUR 11 million) and EUR 3 million realised gains (2023: EUR 9 million).

5 NET TRADING INCOME

Accounting policy for net trading income or (loss)

Net trading income includes all gains and losses from financial assets and liabilities held for trading.

in EUR millions	2024	2023
Financial instruments mandatory measured at fair value through profit or loss		
Debt investments held for trading	1	5
Other assets and liabilities held for trading	2	1
Other net trading income	5	1
	7	**8**

Other net trading income includes a gain of EUR 2 million related to an exit in non-core activities.

6 NET GAINS OR (LOSSES) FROM ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting policy for gains or (losses) from assets and liabilities at fair value through profit or loss

The net gains or (losses) from assets and liabilities at FVtPL includes all gains and losses from financial instruments measured at FVtPL, excluding those presented under:

- investment income;
- net trading income;
- the results from movements in the fair value of financial liabilities that are attributable to changes in NIBC's own credit risk.

in EUR millions	2024	2023
Financial instruments		
Financial instruments mandatory at fair value through profit or loss other than those included in net trading income		
Derivatives held for hedge accounting		
Fair value hedges of interest risk rate	15	(14)
Cash flow hedges of interest risk rate	1	2
Interest rate instruments	0	37
Loans	(5)	3
Debt securities	1	2
Other		
Foreign exchange movement	2	3
Non-financial instruments		
Investment property - revaluation result	(1)	(3)
Earn-out commitments	(0)	(1)
	12	**29**

Fair value hedges of interest rate risk report a gain of EUR 15 million (2023: loss of EUR 14 million). This includes a loss of EUR 50 million on the hedging instruments (2023: loss of EUR 184 million) and a gain of EUR 65 million on the hedged items (2023: gain of EUR 171 million). Cash flow hedges report a gain of EUR 1 million (2023: gain of EUR 2 million).

Interest rate instruments (economic hedge without hedge accounting) reports a net result of EUR nil (2023: gain of EUR 37 million). This result includes a result of nil due to hedges that were not included in hedge accounting (2023: gain of EUR 46 million) and a gain of EUR 1 million *Credit Value Adjustment* **(CVA)** (2023: loss of EUR 8 million).

On corporate loans, NIBC reports a loss of EUR 5 million (2023: gain of EUR 3 million), which includes (unrealised) revaluation results.

Land and buildings with the available for rental status classified as investment property were revalued as of 31 December 2024 based on an independent external appraisal using the market rent capitalisation model. Land and buildings with the available for rental status decreased in value, leading to a loss of EUR 1 million in 2024 (2023: loss of EUR 3 million).

7 NET GAINS OR (LOSSES) ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

Accounting policy for gain or (losses) on derecognition of financial assets measured at amortised cost

The net gains/(losses) on derecognition of financial assets measured at AC includes gains and losses recognised on the sale or derecognition of these financial assets, calculated as the difference between the carrying amount (which is the amortised cost adjusted for the updated expected credit loss allowance) and the proceeds received.

in EUR millions	2024	2023
Corporate loans	4	(0)
	4	**(0)**

In 2024 the Shipping portfolio was derecognised as a result of a sales transaction against a price higher than the par value.

8 PERSONNEL EXPENSES AND SHARE-BASED PAYMENTS

Accounting policy for personnel expenses and share-based payments

Salaries, social security charges and other salary-related costs are recognised over the period in which the employees provide the services to which the payments relate.

NIBC operates a defined contribution pension plan. The contribution payable to the defined contribution plan is in proportion to the services rendered to NIBC by the employees.

NIBC operates cash-settled share-based compensation plans.

CASH-SETTLED TRANSACTIONS

For the cash-settled share-based compensation plan, the fair value of the employee services received in exchange for the grant of share-based compensation is recognised as a liability. The liability is remeasured at each reporting date up to and including the settlement date with changes in fair value recognised in the income statement in personnel expenses. The social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

PROFIT-SHARING AND BONUS PLANS

A liability is recognised for cash-settled bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to our shareholder after certain adjustments. NIBC recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

in EUR millions	2024	2023
Salaries	74	76
Severance payments	5	2
Compensation external employees	6	5
Variable compensation		
Cash bonuses	1	1
Share-based, cash-settled and deferred bonuses	2	2
Pension and other post-retirement charges		
Defined-contribution plan	12	12
Other post-retirement charges/(releases) including own contributions of employees	(2)	(2)
Social security charges	8	8
Other staff expenses	5	3
	112	**107**

Number of FTE at 31 December	2024	2023
NIBC Bank N.V. (within NL)	557	549
NIBC Bank N.V. (outside NL)	40	39
FinQuest B.V.	-	11
Total NIBC Bank N.V.	**597**	**600**
Beequip B.V.	-	95
Total NIBC Holding N.V.	**597**	**695**

Personnel

The number of FTEs decreased to 597 at 31 December 2024 from 695 at 31 December 2023, following the sale of our financing platforms Beequip B.V. and yesqar and the Shipping portfolio, compensated by the increase of staff members specially within the CTO-domain. The average number of FTEs decreased to 673 in 2024 from 702 in 2023. The number of FTEs outside of the Netherlands is relatively stable with 40 at 31 December 2024 and 39 at 31 December 2023.

Salaries
Salary expenses in 2024 in comparison with 2023 decreased by EUR 1.4 million as the base salary reduction following the sale of the Shipping loan portfolio exceeds the regular base salary increases of NIBC's staff base.

Severance payments
The severance payments in 2024 amounts EUR 5.1 million, including severance payments to senior management of the Managing Board (CEO and CRO, see the table below) and multiple other staff members including those that became redundant following the sale of the Shipping loan portfolio in June 2024. The severance payments in 2023 of an amount of EUR 1.9 million relate to multiple staff members following an announced reorganisation within the CTO- and CFO domain.

Variable compensation
To all staff members (who are not bonus eligible) in service on 31 December 2024 and mid March 2025 (Managing Board excluded) a one-off bonus compensation will be rewarded in 2025 over the performance year 2024. The total amount of this one-off compensation will be EUR 0.8 million and is fully expensed in 2024 (2023: EUR 0.9 million).

Other staff expenses
Other staff expenses includes expenses regarding a collective allowance to compensate for loss of pension benefits with respect to 2024 salary in excess of EUR 137,800 (2023: EUR 128,810). Additionally, in 2024 an estimated additional tax expense of EUR 2.1 million to the Dutch tax authorities was recognised in relation to the remuneration of (former) managing board members. This tax was an expense to the employer and are therefore not part of the table 'Expenses related to the Statutory Board'.

Total compensation
In 2024, four employees were awarded a total compensation of more than EUR 1 million (2023: five employees).

Expenses related to the Statutory Board and the Supervisory Board

in EUR	2024	2023
The breakdown of the total remuneration of the Statutory Board is as follows[1]		
Cash compensation (base salary)	4,832,913	5,133,216
Severance payments[2]	2,623,581	-
Short-term incentive compensation (sign-on cash bonus)[3]	-	105,000
Short-term incentive compensation (sign-on phantom share units)[3]	-	105,000
Vesting of prior years' short-term deferred share awards compensation[4]	72,667	90,968
Pension costs	140,951	147,909
Other remuneration elements[5]	1,249,070	1,323,689
	8,919,181	**6,905,782**

1 Statutory Board is equal to Managing Board and exists of 4 members in 2024 (2023: 4 members)
2 Agreed-upon and accrued severance payments MB members
3 Agreed-upon sign-on bonus
4 Expensed through the income statement in the current year, related to vesting of share related awards in prior year(s).
5 Including EUR 1.1m collective allowance (2023: EUR 1.1m) to compensate for loss of pension benefits with respect to 2024 salary in excess of EUR 137,800 (2023: EUR 128,810)

On 31 December 2024 Mr. P.A.M. de Wilt stepped down as CEO and Chairman of the Managing Board of NIBC. His successor Nick Jue, who was appointed by the Supervisory Board on 10 September 2024, started as CEO and Chairman of the Managing Board of NIBC on 1 January 2025. Reinout van Riel, will step down as CRO and Vice-Chairman of the Managing Board on 6 March 2025. Sven de Veij, who was appointed as CRO by the Supervisory Board on 6 January 2025, will take over the responsibilities from Reinout van Riel on 7 March 2025.

in EUR	2024	2023
Total remuneration of the Supervisory Board is as follows[1]		
Annual fixed fees, committee fees	1,240,500	1,100,500
	1,240,500	**1,100,500**

1 In 2023 and 2024 the Supervisory Board has 8 members.

Components of variable compensation

Since 1 January 2023 only staff in the international offices and the senior originators in the Netherlands are eligible for variable compensation.

The following table gives an overview of the current and former components of variable compensation and their main characteristics:

Components of variable compensation	Share based	Cash-settled	Vesting conditions
Phantom Share Unit (PSU)[1]	Yes	Yes	None
Restricted Phantom Share Unit (RPSU)[1]	Yes	Yes	4 years pro rata vesting[2]
Deferred cash	No	Yes	4 years pro rata vesting

1 Continued service of the employee until vesting is not a requirement for granting of the different instruments part of the one-off retention packages.
2 Granted (R)PSUs of the members of the statutory board have a vesting period of five years

ONE-OFF RETENTION PACKAGE EXCO MEMBERS RELATED TO THE ACQUISITION OF NIBC HOLDING N.V. BY FLORA ACQUISITIONS B.V.

The granted components of the retention package granted in 2021 following the acquisition of NIBC Holding N.V. by Flora Acquisition B.V. were split in Cash (20%), Deferred Cash (30%), PSUs (20%) and RPSUs (30%). Deferred Cash and RPSU will be vested[1] in a 4 years period (1/4 per year), starting on 30 December 2021 for which continued service until vesting is not a requirement. For Managing Board members the granted PSUs and RPSUs under the retention package have a holding period of five years. For other ExCo members the holding period for vested PSUs and vested RPSUs is one year.

PHANTOM SHARE UNITS (PSUS) AND RESTRICTED PHANTOM SHARE UNITS (RPSUS)

The short-term compensation in share-related awards consists of PSUs and/or RPSUs. RPSU awards are subject to a four-year vesting with one fourth vesting each year on 1 April. All PSUs and RPSUs are subject to a one-year retention period as measured from the date of vesting. For the Statutory Board the lock-up period of the equity-linked instruments is five years. RPSUs are not eligible for dividend.

The valuation of the (R)PSUs is based on the mark-up factor on the acquisition price of NIBC Holding N.V. that is used by shareholder to value its investment in NIBC Holding N.V.

This short term compensation in share related awards can be converted into cash immediately after the taking into account the applicable vesting rules and retention period and therefore is recognised as cash settled.

Share plans

PHANTOM SHARE UNITS

As at year-end 2024, 394,481 (2023: 375,841) PSUs had been issued to employees. The total outstanding position is cash-settled.

	Phantom Share Units (in numbers)		Weighted average fair value at grant date (in EUR)	
	2024	**2023**	**2024**	**2023**
Changes in phantom share units				
Balance at 1 January	**375,841**	**368,250**	**7.89**	7.90
Granted	40,192	28,316	8.54	8.56
Vesting of RPSUs	76,035	91,579	7.88	7.48
Exercised	(97,587)	(112,304)	8.00	7.75
Balance at 31 December	**394,481**	**375,841**	**7.93**	**7.89**

RESTRICTED PHANTOM SHARE UNITS

As at year end 2024, 187,522 (2023: 217,571) RPSUs had been issued to employees. The total outstanding position is cash-settled.

1 Continued service until vesting is not a requirement for vesting.

	Restricted Phantom Share Units (in numbers)		Weighted average fair value at grant date (in EUR)	
	2024	2023	2024	2023
Balance at 1 January	**217,571**	**287,026**	**8.18**	**7.92**
Granted	45,987	31,766	8.54	8.52
Vesting of RPSUs	(76,035)	(91,579)	8.54	7.48
Exercised before vesting to facilitate derisking (sale of non core portfolios)	-	(5,806)	-	7.95
Forfeited	-	(3,837)	-	8.07
Balance at 31 December	**187,522**	**217,571**	**8.13**	**8.18**

The outstanding number of PSUs and RPSUs with the NIBC Holding N.V. shares as underlying will be converted in PSUs and RPSUs with NIBC Bank N.V. shares as underlying as a consequence of the legal merger between NIBC Holding N.V. (the disappearing company) and NIBC Bank N.V. (the acquiring company) that became effective on 1 January 2025. The conversion has no impact on the value of the PSUs and RPSUs.

RESULT RECOGNITION

With respect to all components of variable compensation (cash, deferred cash, PSUs and RPSUs), an amount of EUR 3 million was expensed through personnel expenses in 2024 (2023: EUR 3 million). For cash settled instruments (deferred cash, PSUs and RPSUs), the amount expensed during the vesting period through the income statement is based on the number of instruments originally granted outstanding at reporting date, their fair value at reporting date, the vesting period and estimates of the number of instruments that will forfeit during the remaining vesting period. The liability at reporting date with respect to cash settled instruments is EUR 6 million (31 December 2023: EUR 6 million).

9 OTHER OPERATING EXPENSES

Accounting policy for other operating expenses

Costs are recognised in the period in which services have been provided to NIBC.

in EUR millions	2024	2023
Other operating expenses		
Project expenses and consultants	27	26
Marketing and communication expenses	5	5
Other employee expenses	4	3
ICT and data expenses	34	32
Process outsourcing	20	24
Fees of auditors	4	4
Other	15	14
	108	**108**

Total other operating expenses are in line with previous year. Lower process outsourcing expenses, caused by lower mortgage loan origination volumes, are offset by lower VAT returns and higher costs for external advisors for strategic projects and ICT expenses.

Fees of auditors 2024 (including VAT)

in EUR thousands	External auditor	Other network	Other audit firms	Total
Fees of auditors				
Audit of financial statements	2,546	30	219	**2,795**
Other assurance services	629	-	72	**701**
Other non-audit related services	13	-	97	**110**
Tax services	-	-	36	**36**
	3,188	**30**	**424**	**3,642**

Fees of auditors 2023 (including VAT)

in EUR thousands	External auditor	Other network	Other audit firms	Total
Fees of auditors				
Audit of financial statements	3,240	38	131	**3,410**
Other assurance services	186	-	132	**318**
Other non-audit related services	-	-	15	**15**
Tax services	-	-	29	**29**
	3,427	**38**	**307**	**3,772**

The audit fees relate to the financial year to which the consolidated financial statements pertain, regardless of whether the external auditor and the audit firm performed the work during the financial year.

The fees listed above relate to the procedures applied to NIBC and its consolidated group entities by accounting firms and external independent auditors as referred to in Section 1(1) of the Dutch Audit Firms Supervision Act (Dutch acronym: Wta), as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

10 REGULATORY CHARGES AND LEVIES

Accounting policy for regulatory charges and levies

Regulatory charges and levies are recognised when the related payments becomes legally enforceable.

in EUR millions	2024	2023
Resolution levy	(1)	9
Deposit Guarantee Scheme	8	9
	8	**19**

The decrease in the regulatory charges is caused by the fact that no resolution levy is charged in 2024. The credit amount is due to a release of provision created in 2023, of which the actuals turned out to be lower than expected. During 2024, the targeted volume for the DGS funds was reached which resulted in lower costs.

11 CREDIT LOSS EXPENSE

Refer to the Financial instruments section within the summary of material accounting policies for the accounting policy for Expected Credit Losses (ECL), and the Credit risk (audited) section, sub-section Expected Credit Loss determination, for details on the balances and movements.

12 INCOME TAX

Accounting policy for income tax

Tax consists of current and deferred tax. Tax is recognised in the income statement and in the statement of OCI in the period in which it arises.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates (and laws) enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when NIBC intends to settle on a net basis and a legal right of offset exists.

Deferred tax is recognised for qualifying temporary differences. Temporary differences represent the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

Critical accounting estimates and judgements

Deferred tax assets are included only if it is probable that taxable profits will be realised in the coming years against which these temporary differences can be offset. When determining future taxable profits, estimates are used since these are subject to uncertainty.

in EUR millions	2024	2023
Current tax	69	59
Deferred tax	0	13
	69	**73**
Tax reconciliation:		
Profit before tax	**277**	**289**
Tax calculated at the nominal Dutch corporate tax rate of 25.8% (2023: 25.8%)	72	75
Impact of income not subject to tax	(9)	(3)
Impact of expenses not tax deductible	6	3
Effect of different tax rates other countries	0	0
Actualisation including true-ups and revaluations	0	(3)
Other tax effects	0	0
	69	**73**

The impact of income not subject to tax mainly relates to the coupon on capital securities which is deductible under Dutch tax law and tax exempt income from equity investments and investments in associates and joint ventures in which NIBC has a stake of more than 5%.

The amount mentioned under the actualisation is the result of updates to the Dutch and German tax positions of NIBC resulting from, amongst others, filing of tax returns in 2023.

Income tax expense is recognised based on management's best estimate of the expected annualised income tax rate for the full financial year, as well as discrete items recognised in 2024. This results in an effective tax rate of 24.9% for the year ended 31 December 2024 (2023: 25.2%). Income tax expenses are allocated based on applicable income tax rates for each jurisdiction.

NIBC Holding N.V. is the parent company of NIBC Bank N.V., NIBC Investments N.V. and NIBC Investment Management N.V., which are all part of the same fiscal unity during 2024.

Pillar Two income taxes

The Organization for Economic Cooperation and Development (**OECD**) has published Pillar Two Global anti-Base Erosion rules (**GloBE Rules or Pillar Two**) which apply to multinational enterprises (**MNEs**) with revenue in excess of EUR 750 million per their consolidated financial statements. Pillar Two introduces new taxing mechanisms under which MNEs would pay a Pillar Two income tax in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis under the GloBE Rules, is below a 15% minimum rate (Minimum Rate).

In each jurisdiction in which NIBC operates Pillar Two has been enacted and as of 2025, NIBC will be in scope of Pillar Two. Based on projections of the jurisdictional results in 2025, NIBC has performed an assessment of its potential exposure for Pillar Two income taxes in 2025, taking into consideration the transitory safe harbors. Based on this assessment, the effective tax rates, determined on a jurisdictional basis under the GloBE Rules, are above the Minimum Rate in 2025. Consequently, NIBC does not estimate a significant impact derived from these new rules. In addition, NIBC applies the mandatory temporary exception to the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes referred to in the IASB amendment to IAS 12, Income Taxes.

13 CASH AND BALANCES WITH CENTRAL BANKS

Accounting policy for cash and balances with central banks

Cash and balances at central banks are held at AC, and include mandatory reserve deposits.

in EUR millions	2024	2023
Cash and balances with central banks can be categorised as follows		
Receivable on demand	2,901	1,811
Not receivable on demand (due to mandatory reserve deposits with central banks)	194	183
	3,096	**1,994**

The increase in cash is a result of the repayment of funding outstanding to finance the lease activities of Beequip B.V. These lease activities have been sold by NIBC at 27 November 2024.

At 31 December 2024, EUR 3,050 million is held with Dutch Central Bank (31 December 2023: EUR 1,966 million).

14 DUE FROM OTHER BANKS

Accounting policy for due from other banks

Amounts due from other banks are measured at AC.

in EUR millions	2024	2023
Current accounts	513	443
Deposits with other banks	85	108
	598	**551**
Due from other banks can be categorised as follows		
Receivable on demand	513	443
Cash collateral placements posted under CSA agreements	85	108
	598	**551**

There were no subordinated loans included in due from other banks in 2024 and 2023. Movements in cash collateral placements (CSA) can be attributed to movements of interest rates and/or FX rates.

15 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy for derivative financial instruments

Derivative financial instruments are measured at FVtPL.

NIBC uses derivative financial instruments both for trading and hedging purposes, and consist of:

- Interest rate swaps to hedge the interest rate risk of the Mortgage portfolio;
- Interest rate swaps to hedge the interest rate risk of fixed rate Corporate loans;
- Interest rate swaps to hedge the interest rate risk of fixed rate Debt investments;
- Interest rate swaps to hedge the interest rate risk of fixed rate funding;
- Foreign exchange and cross-currency swaps to fund the non-euro loans to customers or to transform non-euro funding into euros;
- Client-driven derivative transactions;
- Money market trading.

Economically, all these derivatives, with the exception of the money market trading and client-driving transactions, are used to hedge interest rate or foreign exchange risk. See Risk management paragraph for further details.

Gains and losses from changes in the fair value of derivatives held for trading are recognised in the income statement in net trading income, while gains and losses from changes in the fair value of derivatives held for hedging purposes are recognised in the income statement in net gains or (losses) from assets and liabilities at FVtPL.

Accounting policy for hedge accounting

When derivatives are designated as hedges, NIBC classifies them as either (i) a fair value hedge of interest rate risk ('portfolio fair value hedges'); (ii) a fair value hedge of interest rate risk or FX rate risk ('micro fair value hedges'); (iii) a cash flow hedge of the variability of highly probable cash flows ('cash flow hedges'). Hedge accounting is applied to derivatives designated as hedging instruments, provided the criteria of IAS 39 are met.

At the inception of a hedging relationship, NIBC documents the relationship between the hedging instrument and the hedged item, its risk management objective and its strategy for undertaking the hedge. NIBC also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in hedging relationships are highly effective in offsetting changes attributable to the hedged risk in the fair value or cash flows of the hedged items.

NIBC discontinues hedge accounting prospectively when:

- It is determined that a derivative is not, or has ceased to be, highly effective as a hedge;
- The derivative expires, or is sold, terminated or exercised;
- The hedged item matures, or is sold or repaid;
- A forecast transaction is no longer deemed highly probable; or
- It voluntarily decides to discontinue the hedge relationship.

FAIR VALUE HEDGE

NIBC applies portfolio fair value hedge accounting and fair value hedge accounting on a micro level. Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in the income statement in net gains or (losses) from assets and liabilities at FVtPL together with changes in the fair value of the hedged items attributable to the hedged risk.

If a hedge relationship no longer meets the criteria for hedge accounting, the cumulative fair value adjustment to the carrying amount of the hedged item is amortised to the income statement over the remaining period to maturity using the effective interest method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement in net gains or (losses) from assets and liabilities at FVtPL.

PORTFOLIO FAIR VALUE HEDGE
NIBC applies portfolio fair value hedge accounting to the interest rate risk arising on (amortised cost) portfolios of mortgage loans, fixed rate corporate loans and funding and the interest rate risk from retail deposits.

In order to apply portfolio fair value hedge accounting, the cash flows arising on the portfolios are scheduled into time buckets based upon when the cash flows are expected to occur. For the first two years, cash flows are scheduled using monthly time buckets; thereafter annual time buckets are used. Hedging instruments are designated for each time bucket, together with an amount of assets or liabilities that NIBC is seeking to hedge. Designation and de-designation of hedging relationships is undertaken at least on a monthly basis, together with an assessment of the effectiveness of the hedging relationship at a portfolio level, across all time buckets.

MICRO FAIR VALUE HEDGE
NIBC applies micro fair value hedge accounting to the interest rate risk and/or the foreign exchange risk arising from debt investments at fair value through OCI.

(Cross-currency) interest rate swaps are used as hedging instruments. Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in the income statement together with changes in the fair value of the hedged items attributable to the hedged risks.

CASH FLOW HEDGE
Cash flow hedge accounting is applied to hedge the variability arising on expected future cash flows due to interest rate risk on loans at AC with floating interest rates. As interest rates fluctuate, the future cash flows on these instruments also fluctuate. NIBC uses interest rate swaps to hedge the risk of such cash flow fluctuations. Cash flow hedges are always on portfolio level.

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges is recognised in OCI as net result of hedging instruments. Any gain or loss in fair value relating to an ineffective portion is recognised immediately in the income statement in net gains or (losses) from assets and liabilities at FVtPL.

Amounts accumulated in OCI are recycled to the income statement in the periods in which the hedged item will affect the income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in OCI at that time remains in OCI until the forecast cash flow is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the income statement.

HEDGE EFFECTIVENESS TESTING
To qualify for hedge accounting, NIBC requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective effectiveness). Actual effectiveness (retrospective effectiveness) must also be demonstrated on an ongoing basis.

The documentation of each hedging relationship describes how effectiveness will be assessed. For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the bandwidth of 80% - 125% for the hedge to be deemed effective.

Sources of ineffectiveness are the behaviour of the curve shift, the volatility of the basis spread over the curve and the distribution of cash flows of assets and liabilities compared to the hedging derivatives. Hedge ineffectiveness is recognised in the income statement in net gains or (losses) from assets and liabilities at FVtPL. Ineffectiveness outside the 80% - 125% bandwidth is recognised by not posting a hedge adjustment to the hedged item.

Derivatives used for hedge accounting and other

in EUR millions	2024	2023
Derivative financial assets		
Derivative financial assets used for hedge accounting	2	32
Derivative financial assets - other	80	124
	83	**156**
Derivative financial liabilities		
Derivative financial liabilities used for hedge accounting	4	15
Derivative financial liabilities - other	100	114
	104	**129**

The carrying amounts for derivatives used for hedge accounting consist mainly of interest rate swaps in portfolio fair value hedges.

Hedge accounting - fair value hedges

FAIR VALUE ADJUSTMENTS HEDGED ITEMS

In the following tables NIBC sets out the accumulated fair value adjustments in the hedged items arising from the corresponding continuing hedge relationships, irrespective of whether or not there has been a change in hedge designation during the years.

		Carrying amount of hedged items at 31 December 2024		Accumulated amount of fair value adjustments on the hedged items at 31 December 2024	
in EUR millions	Hedged items	Assets	Liabilities	Assets	Liabilities
Micro fair value hedges					
Micro fair value hedge of Liquidity portfolio debt investments	Debt investments at FVOCI	378	-	2	-
		378	**-**	**2**	**-**
Portfolio fair value hedges					
Portfolio fair value hedge of assets and liabilities	Deposits from customers and Mortgage loans	9,180	7,484	(336)	353
		9,180	**7,484**	**(336)**	**353**
		9,558	**7,484**	**(334)**	**353**

		Carrying amount of hedged items at 31 December 2023		Accumulated amount of fair value adjustments on the hedged items at 31 December 2023	
in EUR millions	Hedged items	Assets	Liabilities	Assets	Liabilities
Micro fair value hedges					
Micro fair value hedge of Liquidity portfolio debt investments	Debt investments at FVOCI	175	-	0	-
		175	**-**	**0**	**-**
Portfolio fair value hedges					
Portfolio fair value hedge of assets and liabilities	Deposits from customers and Mortgage loans	9,024	5,793	(317)	291
		9,024	**5,793**	**(317)**	**291**
		9,199	**5,793**	**(317)**	**291**

HEDGE INEFFECTIVENESS FAIR VALUE HEDGES

The following tables set out the changes in the fair value of the hedged items and hedging instruments in the current year, used as the basis for recognising ineffectiveness.

in EUR millions	Gains/(losses) attributable to the hedged risk at 31 December 2024		Hedge ineffectiveness at	Gains/(losses) attributable to the hedged risk at 31 December 2023		Hedge ineffectiveness at
Hedged items (hedge instruments)	Hedged items	Hedging instruments	31 December 2024	Hedged items	Hedging instruments	31 December 2023
Micro fair value hedge relationships hedging assets						
Micro fair value hedge of the Liquidity portfolio debt investments (interest rate swaps)	1	(2)	0	5	(6)	(1)
	1	**(2)**	**0**	**5**	**(6)**	**(1)**
Micro fair value hedge relationships hedging liabilities						
Micro fair value hedge of plain vanilla funding (interest rate swaps)	-	-	-	(7)	8	0
	-	**-**	**-**	**(7)**	**8**	**0**
Total micro fair value hedge	**1**	**(2)**	**0**	**(2)**	**2**	**(0)**

in EUR millions	Gains/(losses) attributable to the hedged risk at 31 December 2024		Hedge ineffectiveness at	Gains/(losses) attributable to the hedged risk at 31 December 2023		Hedge ineffectiveness at
Hedged items (hedge instruments)	Hedged items	Hedging instruments	31 December 2024	Hedged items	Hedging instruments	31 December 2023
Portfolio fair value hedges hedging assets						
Portfolio fair value hedge of assets (interest rate swaps)	92	(157)	(65)	251	(424)	(174)
	92	**(157)**	**(65)**	**251**	**(424)**	**(174)**
Portfolio fair value hedges hedging liabilities						
Portfolio fair value hedge of liabilities (interest rate swaps)	(37)	109	72	(75)	238	163
	(37)	**109**	**72**	**(75)**	**238**	**163**
Total portfolio fair value hedge	**54**	**(48)**	**6**	**176**	**(186)**	**(10)**

Hedge accounting - cash flow hedges

The following tables set out the outcome of NIBC's hedging strategy, in particular, the notional and the carrying amounts of the derivatives NIBC uses as hedging instruments and their changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions.

Hedge accounting - cash flow hedges at 31 December 2024

	Carrying value		Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement as	
			Effective portion	Hedge ineffectiveness	In total		
in EUR millions	Assets	Liabilities	Recognised in OCI	Recognised in the income statement in gains or (losses) from assets and liabilities at FVtPL		Other interest gains or (losses)	Gains or (losses) from assets and liabilities at FVtPL
Cash flow hedges							
Interest rate swaps	0	-	0	1	**1**	1	0
	0	**-**	**0**	**1**	**1**	**1**	**0**

Hedge accounting - cash flow hedges at 31 December 2023

	Carrying value		Changes in fair value of hedging instruments used for measuring hedge ineffectiveness			Reclassified into income statement as	
			Effective portion	Hedge ineffectiveness	In total		
in EUR millions	Assets	Liabilities	Recognised in OCI	Recognised in the income statement in gains or (losses) from assets and liabilities at FVtPL		Other interest gains or (losses)	Gains or (losses) from assets and liabilities at FVtPL
Cash flow hedges							
Interest rate swaps	-	0	0	1	**1**	2	1
	-	**0**	**0**	**1**	**1**	**2**	**1**

	Change in fair value of hedged item in the year 2024 used for ineffectiveness measurement	Cash flow hedge reserve at 31 December 2024		Change in fair value of hedged item in the year 2023 used for ineffectiveness measurement	Cash flow hedge reserve at 31 December 2023	
in EUR millions		Continuing hedges	Discontinued hedges		Continuing hedges	Discontinued hedges
Cash flow hedges						
Floating rate notes	0	(0)	(0)	0	(0)	(1)
	0	**(0)**	**(0)**	**0**	**(0)**	**(1)**

The underlying hedged items of the cash flow hedges are the floating rate coupons of the Corporate Loan portfolio.

Hedge accounting impact on equity

in EUR millions	2024	2023
Opening balance cash flow hedging reserve as at 1 January	**(1)**	**(4)**
Cash flow hedges		
Effective portion of changes in fair value arising from		
Interest rate swaps	(0)	(0)
Net amount reclassified to profit or loss into		
Other interest expense/income	1	2
Gains or (losses) from assets and liabilities at FVtPL	0	1
Other	(0)	(0)
Closing balance cash flow hedging reserve as at 31 December	**(0)**	**(1)**

At 31 December 2024 the cash flow hedge reserve consists of an amount of EUR 1 million (2023: EUR 1 million) to hedging relationships for which hedge accounting is no longer applied. For the continuing hedges the cashflow reserve is nil for 2024 and 2023.

Remaining life of notionals per derivative

Derivative financial instruments used for hedge accounting at 31 December 2024

	Notional amount with remaining life of					Carrying value	
in EUR millions	Less than three months	Between three months and one year	Between one and five years	More than five years	Total	Assets	Liabilities
Derivatives accounted for as fair value hedges of interest rate risk							
OTC products							
Average fixed rate	0.01%	4.91%	1.96%	1.64%	**1.95%**		
Interest rate swaps	16	786	9,190	7,749	**17,742**	2	4
	16	**786**	**9,190**	**7,749**	**17,742**	**2**	**4**
Derivatives accounted for as cash flow hedges of interest rate risk							
OTC products							
Average fixed rate	1.67%	1.69%	0.00%	0.00%	**1.68%**		
Interest rate swaps	12	12	-	-	**24**	0	-
	12	**12**	**-**	**-**	**24**	**0**	**-**
Total derivatives used for hedge accounting	**28**	**798**	**9,190**	**7,749**	**17,766**	**2**	**4**

Derivative financial instruments used for hedge accounting at 31 December 2023

	Notional amount with remaining life of					Carrying value	
in EUR millions	Less than three months	Between three months and one year	Between one and five years	More than five years	Total	Assets	Liabilities
Derivatives accounted for as fair value hedges of interest rate risk							
OTC products							
Average fixed rate	0.00%	0.48%	1.94%	1.54%	**1.68%**		
Interest rate swaps	24	732	7,600	6,950	**15,306**	32	15
	24	**732**	**7,600**	**6,950**	**15,306**	**32**	**15**
Derivatives accounted for as cash flow hedges of interest rate risk							
OTC products							
Average fixed rate	2.61%	2.42%	1.68%	0.00%	**2.10%**		
Interest rate swaps	12	12	23	-	**46**	-	0
	12	**12**	**23**	**-**	**46**	**-**	**0**
Total derivatives used for hedge accounting	**36**	**744**	**7,623**	**6,950**	**15,352**	**32**	**15**

Derivative financial instruments – other at 31 December 2024

in EUR millions	Notional amount with remaining life of Less than three months	Between three months and one year	Between one and five years	More than five years	Total	Carrying value Assets	Liabilities
Interest rate derivatives							
OTC products							
Interest rate swaps	2,685	6,938	1,539	2,002	**13,163**	29	20
Interest rate options (purchase)	45	97	224	-	**366**	7	-
Interest rate options (sale)	45	74	209	-	**328**	0	6
	2,775	**7,109**	**1,972**	**2,002**	**13,857**	**37**	**26**
Currency derivatives							
OTC products							
Interest currency rate swaps	120	132	526	-	**779**	-	28
Currency/cross-currency swaps	159	-	-	-	**159**	2	0
	280	**132**	**526**	**-**	**938**	**2**	**28**
Other derivatives (including credit derivatives)							
OTC products							
Credit default swaps (guarantees received)	-	-	-	4	**4**	-	0
Other swaps	-	-	3	9	**12**	42	45
	-	**-**	**3**	**13**	**16**	**42**	**45**
Total derivatives – other	**3,055**	**7,241**	**2,501**	**2,015**	**14,812**	**80**	**100**

Derivative financial instruments – other at 31 December 2023

in EUR millions	Notional amount with remaining life of Less than three months	Between three months and one year	Between one and five years	More than five years	Total	Carrying value Assets	Liabilities
Interest rate derivatives							
OTC products							
Interest rate swaps	2,475	5,270	2,324	2,019	12,088	60	29
Interest rate options (purchase)	19	129	227	10	385	10	-
Interest rate options (sale)	19	128	194	-	342	0	7
	2,514	**5,527**	**2,745**	**2,029**	**12,815**	**70**	**36**
Currency derivatives							
OTC products							
Interest currency rate swaps	150	280	858	-	1,288	10	23
Currency/cross-currency swaps	227	-	-	-	227	0	6
	377	**280**	**858**	**-**	**1,515**	**10**	**29**
Other derivatives (including credit derivatives)							
OTC products							
Credit default swaps (guarantees received)	-	-	-	4	4	-	0
Other swaps	-	-	3	9	12	44	48
	-	**-**	**3**	**13**	**16**	**44**	**48**
Total derivatives – other	**2,891**	**5,808**	**3,606**	**2,042**	**14,346**	**124**	**114**

The average remaining maturity (in which the related cash flows are expected to enter into the determination of profit or loss) is five years (2023: six years).

FAIR VALUE HEDGES OF INTEREST RATE RISK

The following table discloses the fair value of the swaps designated in fair value hedging relationships:

in EUR millions	2024	2023
Fair value pay – fixed swaps (hedging assets) | assets	0	32
Fair value pay – fixed swaps (hedging assets) | liabilities	(4)	(3)
	(4)	**28**
Fair value pay – floating swaps (hedging liabilities) | assets	2	-
Fair value pay – floating swaps (hedging liabilities) | liabilities	(0)	(12)
	2	**(12)**

PORTFOLIO FAIR VALUE HEDGE ACCOUNTING OF ASSETS AND LIABILITIES

To mitigate accounting mismatches, NIBC has defined a portfolio fair value hedge for the assets and liabilities with a contractual duration longer than three months and the corresponding hedging transactions.

The hedged risk is the benchmark interest rate (RFRs up to one year and swap rates for periods longer than one year) for the currency in question.

The net fair value of the derivative financial instruments designated as hedging instruments in these relationships at 31 December 2024 was EUR 2 million credit (2023: EUR 16 million debit). The losses on the hedging instruments were EUR 48 million (2023: loss of EUR 186 million). The gains on the hedged items attributable to the hedged risk were EUR 54 million (2023: gain of EUR 176 million). Differences between the results recognised on the hedging instruments and hedged items can be explained by hedge ineffectiveness and pipeline hedging. The pipeline consists of mortgage loans offered to customers but not yet have been accepted.

MICRO FAIR VALUE HEDGE ACCOUNTING OF THE LIQUIDITY PORTFOLIO DEBT INVESTMENTS

To mitigate accounting mismatches, NIBC has defined a micro fair value hedge for fixed rate debt investments and corresponding hedging transactions.

The hedged risk is the benchmark interest rate (RFRs up to one year and swap rates for periods longer than one year) for the currency in question.

The net fair value of the derivative financial instruments designated as hedging instruments in these relationships at 31 December 2024 and 31 December 2023 is nil. The losses on the hedging instruments were EUR 2 million (2023: loss of EUR 6 million). The gains on the hedged items attributable to the hedged risk were EUR 1 million (2023: gain of EUR 5 million). Differences between the results recognised on the hedging instruments and hedged items can be explained by hedge ineffectiveness.

CASH FLOW HEDGES

NIBC measures a large part of its corporate loans at AC. Therefore, variability in the cash flows of the floating rate corporate loans is accounted for in future periods, when the coupons are recorded in the income statement on an AC basis. Interest rate swaps are used to hedge the floating cash flows of its floating corporate loans (in GBP). These swaps are reported at FVtPL. This accounting mismatch creates volatility in the income statement of NIBC. Therefore NIBC applies hedge accounting on these positions. Hedge accounting is applied to all swaps that are used to hedge the cash flow risk of the floating corporate loans by defining a macro cash flow hedge relationship with the floating corporate loans.

The variability in interest cash flows arising on floating rate corporate loans is hedged on a portfolio basis with interest rate swaps that receive fixed and pay floating (generally one, three and six months floating rates). The highly probable cash flows being hedged relate both to the highly probable cash flows on outstanding corporate loans and to the future reinvestment of these cash flows. NIBC does not hedge the variability of future cash flows of corporate loans arising from changes in credit spreads.

The net fair value of the interest rates swaps designated in a cash flow hedge relationship is nil for 2024 and 2023. The cash flow on the hedged item will be reported in income over the next year. In 2024 the ineffectiveness recognised in the income statement that arose from cash flow hedges was a gain of EUR 1 million (2023: gain of EUR 1 million).

Some macro cash flow hedging relationships were de-designated during 2011. The hedged items are still recognised in the balance sheet of the company and therefore the related cumulative hedge adjustment as from that date is being amortised over the remaining contractual maturity of the hedged item.

The amount that was transferred from equity to the income statement in 2024 was a gain of EUR 1 million net of tax (2023: gain of EUR 3 million net of tax).

16 DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Accounting policy for debt investments at fair value through other comprehensive income

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling debt investments;
- the contractual terms of the debt investment result in cash flows that are solely payments of principal and interest.

Unrealised gains and losses are recognised in OCI. Upon derecognition, any accumulated balances in OCI are recycled to the income statement and reported within investment income.

Refer to the section Financial instruments within the Summary of material accounting policies for the accounting policies for ECL and section Credit risk (audited) for disclosures on ECL staging.

in EUR millions	2024	2023
Legal maturity analysis of debt investments		
Three months or less	57	59
Longer than three months but not longer than one year	132	130
Longer than one year but not longer than five years	736	631
Longer than five years	250	77
	1,174	**897**

At 31 December 2024 EUR 1,174 million of debt investments was listed (2023: EUR 897 million) and includes EUR 143 million of government bonds (2023: EUR 80 million). The higher volume follows from the increase of NIBC's liquidity buffers and investment opportunities in the debt investment market.

17 DEBT INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting policy for debt investments at fair value through profit or loss

These debt investments are managed on a fair value basis and are consequently measured at FVtPL, with gains and losses in the changes of the fair value recognised under net trading income in the income statement.

Movement explanation

The debt investments amount has remained stable from 2023 to 2024 at EUR 11 million.

As the position relates to a trading portfolio no movement schedule is included.

18 MORTGAGE LOANS AT AMORTISED COST

Accounting policy for financial assets at amortised cost

A financial asset is measured at AC (i.e. fair value at initial recognition adjusted for transaction costs) if it meets both of the following conditions:

- it is held within a business model that has an objective to hold financial assets to collect contractual cash flows;
- the contractual terms of the financial asset result in cash flows that are solely payments of principal and interest on the principal amount outstanding.

NIBC holds the following financial assets at AC:

- cash and balances at central banks;
- due from other banks;
- mortgage loans;
- corporate loans, and
- lease receivables.

Refer to section Credit risk (audited) for measuring allowances for credit losses, and disclosures on ECL staging.

in EUR millions	2024	2023
Owner occupied mortgage loans	12,310	11,557
Buy-to-Let mortgage loans	1,312	1,354
	13,622	**12,911**
Legal maturity analysis of mortgage loans		
Three months or less	10	11
Longer than three months but not longer than one year	29	28
Longer than one year but not longer than five years	314	220
Longer than five years	13,269	12,652
	13,622	**12,911**

NIBC believes that the legal maturity analysis based upon the earliest contractual cash flows best represents the term nature of the cash flows. The contractual maturity may be extended over a longer period. The expected prepayments within the coming 12 months vary in the range between 5% and 12% of the outstanding exposure.

The contractual amount outstanding on mortgage loans that were written off and are still subject to enforcement activity amounts to EUR 23 million at 31 December 2024 (2023: EUR 26 million).

Refer to Mortgage loans in the Credit risk (audited) section for more detail on the composition and risk management of the mortgage loans.

19 CORPORATE LOANS AT AMORTISED COST

in EUR millions	2024	2023
Legal maturity analysis of corporate loans		
Three months or less	148	241
Longer than three months but not longer than one year	483	426
Longer than one year but not longer than five years	2,750	3,363
Longer than five years	714	859
	4,096	**4,889**

Due to the sale of the Shipping related loan portfolio and the sale of the automotive financing portfolio related to FinQuest B.V. the loan exposure decreased by EUR 1.2 billion in 2024. This decrease is partly compensated by new origination of asset-based financing during 2024.

The majority of the intercompany loans have been repaid as a consequence of the sale of Beequip B.V. by NIBC Investments N.V. on 27 November 2024.

The legal maturity analysis is based upon the earliest contractual cash flows which best represents the short and long-term nature of the cash flows. The expected prepayments within the coming 12 months vary in the range between 0% and 60% of the outstanding corporate exposure.

There are no contractual amounts outstanding on corporate loans that were written off and are still subject to enforcement activity.

The total amount of corporate subordinated loans in this item amounted to EUR 16 million at 31 December 2024 (2023: EUR 30 million).

As per 31 December 2024, EUR 12 million of corporate loan exposure (2023: EUR 14 million) was guaranteed by the Dutch State.

Refer to Corporate loans in the Credit risk (audited) section for more detail on the composition and risk management of the corporate loans.

20 LOANS AT FAIR VALUE THROUGH PROFIT OR LOSS

Accounting policy for loans at fair value through profit or loss

The line item includes loans that are mandatorily measured at FVtPL because the loans are held within a business model whose objective is to sell the loans and/or the contractual terms of the loans result in cash flows that are not solely payments of principal and interest (**SPPI**) on the principal amount outstanding. Gains and losses from the changes of the fair value are recognised under net gains or (losses) from assets and liabilities at FVtPL in the income statement.

in EUR millions	2024	2023
Corporate loans	92	147
Consumer loans	4	6
	96	**153**
Legal maturity analysis of corporate loans		
Three months or less	27	30
Longer than three months but not longer than one year	56	109
Longer than one year but not longer than five years	9	8
Longer than five years	-	-
	92	**147**
Movement schedule of corporate loans		
Balance at 1 January	**147**	**133**
Additions	10	3
Disposals/repayments	(58)	(16)
Changes in fair value	(7)	9
Transfer from or to assets held for sale	-	17
Balance at 31 December	**92**	**147**

The changes in fair value reflect movements due to both market interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these assets, the movement due to interest rate changes is mainly compensated by results on financial derivatives.

The cumulative change in fair value included in the balance sheet amount attributable to changes in interest rates and credit risk amounts to a gain of EUR 2 million (2023: gain of EUR 8 million) for corporate and consumer loans.

Refer to Corporate loans in the Credit risk (audited) section for more detail on the composition and risk management of the corporate loans.

The most significant type of collateral securing these loans is real estate.

21 LEASE RECEIVABLES

Accounting policy for lease receivables

The lease receivables are measured at AC.

A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. Otherwise a lease is classified as an operating lease (refer to note 24 Property and equipment (including right-of-use assets)).

When assets are considered to be a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

Refer to section Credit risk (audited) for measuring allowances for credit losses, and disclosures on ECL staging.

in EUR millions	2024	2023
Legal maturity analysis of gross investment in lease receivables		
Three months or less	1	23
Longer than three months but not longer than one year	-	112
Longer than one year but not longer than two years	-	134
Longer than two years but not longer than three years	-	201
Longer than three years but not longer than four years	-	309
Longer than four years but not longer than five years	-	351
Longer than five years	-	357
	1	**1,486**
Unearned future finance income on finance leases	-	205
Net investment in finance leases	**1**	**1,281**
Legal maturity analysis of net investment in lease receivables		
Three months or less	1	22
Longer than three months but not longer than one year	-	108
Longer than one year but not longer than two years	-	126
Longer than two years but not longer than three years	-	183
Longer than three years but not longer than four years	-	268
Longer than four years but not longer than five years	-	293
Longer than five years	-	281
	1	**1,281**

During 2024 the underlying lease receivables of Beequip B.V. were transfered to assets held for sale. As the sale of Beequip B.V. has been closed on 27 November 2024, they were derecognised at that date.

Refer to the Lease receivables in the Credit risk (audited) section for more detail on the composition and risk management of the lease receivables.

22 EQUITY INVESTMENTS (INCLUDING INVESTMENTS IN ASSOCIATES)

Accounting policy for equity investments (including investments in associates)

The equity investments (including investments in associates) managed on a fair value basis are measured at FVtPL, with gains and losses in the changes of the fair value recognised under investment income in the income statement.

Critical accounting estimates and judgements

NIBC estimates the fair value of its equity investments using valuation models and it applies the valuation principles set forth by the International Private Equity and Venture Capital Valuation Guidelines to the extent that these are consistent with IFRS 9. Refer to note 36 Fair value of financial instruments for more detail.

in EUR millions	2024	2023
Investments in associates	33	37
Other equity investments	79	80
Investments in associates and joint ventures (equity method)	3	6
	115	**124**
Movement schedule of investments in associates		
Balance at 1 January	**37**	**41**
Additions	2	2
Disposals	(2)	(8)
Changes in fair value	(5)	2
Transfer to assets held for sale	-	-
Balance at 31 December	**33**	**37**
Movement schedule of other equity investments		
Balance at 1 January	**80**	**121**
Additions	1	1
Disposals	(8)	(35)
Changes in fair value	5	(7)
Other (including exchange rate differences)	1	0
Balance at 31 December	**79**	**80**

in EUR millions	2024	2023
Movement schedule of investments in associates and joint ventures (equity method)		
Balance at 1 January	**6**	**4**
Additions	-	2
Disposals	(5)	(3)
Changes in fair value	2	3
Results on disposal of group companies	(1)	-
Balance at 31 December	**3**	**6**

During 2024, the Equity Investments portfolio decreased by EUR 9 million, mainly due to the distributions of dividend and fair value changes.

At the end of 2024 and 2023, all investments in associates and other equity investments were unlisted. Other disclosure requirements for associates are presented in note 44 Principal subsidiaries and associates.

23 INVESTMENT PROPERTY

Accounting policy for investment property

Investment property relates to part of NIBC's buildings which are let or available for rent to third parties, and is initially measured at cost and subsequently at fair value with any change recognised in the income statement within net gains or (losses) from assets and liabilities at FVtPL.

Movement explanation

in EUR millions	2024	2023
Movement schedule of investment property		
Balance at 1 January	**24**	**26**
Additions	1	1
Changes in fair value	(1)	(3)
Balance at 31 December	**24**	**24**

Land and buildings were revalued as of 31 December 2024 based on an independent external appraisal using the market rent capitalization model. Land and buildings with the available for rental status decreased in value, leading to a loss of EUR 1 million in 2024. For the revaluation result reference is made to note 6 Net gains or (losses) from assets and liabilities at fair value through profit or loss.

24 PROPERTY AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

Accounting policy for property and equipment

Offices and land are measured at fair value (revaluation model). This fair value is based on the most recent appraisals by independent registered appraisers, less straight-line depreciation for offices over the estimated economic life taking into account any residual value. Land is not depreciated. Offices in own use are valued at market value on an unlet or let basis. If arm's length lease agreements have been concluded between NIBC group companies, the office is recognised at its value as a let property. If there is no lease agreement, the office is recognised as vacant property. Any accumulated depreciation at the date of revaluation is eliminated against the carrying amount of the office, and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the office's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to NIBC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising from revaluation of offices are credited to other reserves in shareholder's equity. Decreases that offset previous increases of the same office are charged against other reserves directly in OCI; all other decreases are charged to the income statement. Each year, the difference between depreciation based on the re-valued carrying amount of the office charged to the income statement and depreciation based on the office's original cost is transferred from other reserves to retained earnings.

Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting

Upon lease commencement NIBC recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which reflects the initial lease liability, adjusted for upfront lease payments, received incentives and initial direct costs. The initial lease liability is equal to the sum of the fixed lease payments, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, NIBC uses its incremental borrowing rate.

NIBC applies the following recognition exemptions:

- short-term leases (no right-of-use assets and lease liabilities are recognised for lease terms of 12 months or less at commencement date);
- low value assets (this includes, leases for which the underlying assets have a value lower or equal to EUR 5,000; leases leading to recognition of a right-of-use asset lower or equal to EUR 10,000; leases of similar underlying assets (like e.g. printers) leading to a total right-of-use asset of lower or equal to EUR 50,000, or leases of a group of assets whereby the costs and benefits of right-of-use asset recognition do not justify the reporting requirements).

Lease payments for assets complying to these recognition exemptions are recognised directly in other operating expenses.

Lessor accounting

NIBC classifies each lease as an operating lease or a finance lease. A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership of an underlying asset are transferred (refer to note 21 Lease receivables). Otherwise a lease is classified as an operating lease.

Rental income from operating leases is recognised in other operating income on a straight line basis over the lease term net of discounts.

Depreciation of property and equipment

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Depreciation
Offices	30 - 50 years
Machinery	4 - 10 years
Furniture, fittings and equipment	3 - 10 years
Right-of-use assets: Offices	5 - 20 years
Assets under operating leases	1 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

in EUR millions	2024	2023
Land and buildings	24	24
Other fixed assets	1	2
Right-of-use assets	2	1
Assets under operating leases	-	118
	26	**145**

Land and buildings were revalued as of 31 December 2024 based on an independent external appraisal using the market rent capitalisation model. The positive difference with the carrying amount arising from the revaluation of land and buildings in own use to an amount of EUR 1.7 million net of tax is credited to revaluation reserves in shareholders' equity.

Buildings in use by NIBC are insured for EUR 78 million (2023: EUR 75 million). Other fixed assets are insured for EUR 11 million (2023: EUR 14 million).

Refer to note 32 Accruals and other liabilities for the lease liabilities corresponding to the right-of-use assets.

in EUR millions	2024	2023
Movement schedule of assets under operating leases		
Balance at 1 January	**118**	**109**
Additions	20	56
Revaluation	-	0
Depreciation	(4)	(9)
Derecognition	(8)	(38)
Disposal of assets	(126)	-
Balance at 31 December	**(0)**	**118**
Gross carrying amount	-	144
Accumulated depreciation	-	(26)
	-	**118**

25 TAX ASSETS AND LIABILITIES

Accounting policy for deferred tax

The accounting policy and critical accounting estimates and judgements for deferred tax are included in note 12 Income tax.

in EUR millions	2024	2023
Current tax assets	-	4
Deferred tax assets	3	4
Tax assets	**3**	**8**
Current tax liabilities	20	22
Tax liabilities	**20**	**22**
Amounts of deferred income tax assets, without taking into consideration the offsetting of balances within the same jurisdiction		
Provisions	1	2
Property and equipment	1	1
Tax losses carried forward	1	1
	3	**4**

in EUR millions	2024	2023
Gross movement on the deferred income tax account may be summarised as follows		
Balance at 1 January	**4**	**14**
Debt investments		
Fair value remeasurement charged/(credited) to revaluation reserve	-	(4)
Leasing		
Remeasurement	(0)	0
Provisions		
Remeasurement	(1)	2
Cash flow hedges		
Fair value remeasurement charged/(credited) to hedging reserve	0	1
Property and equipment		
Fair value remeasurement charged/(credited) to revaluation reserve	0	1
Other temporary tax differences		
IFRS - HGB deferred tax	-	(0)
Tax losses carried forward		
Utilisation of tax losses carry forward	(0)	(10)
Balance at 31 December	**3**	**4**

DTA and DTL are measured for all temporary differences using the liability method.

The effective tax rate in the Netherlands for measuring deferred tax on 31 December 2024 is 25.8% (2023: 25.8%).

26 OTHER ASSETS

in EUR millions	2024	2023
Accrued interest	(0)	0
Other accruals and receivables	6	30
	5	**30**

As per 31 December 2023, other assets included EUR 9 million of recovered equipment by Beequip B.V. on defaulted leases of which the contracts were rescinded.

27 ASSETS AND LIABILITIES HELD FOR SALE

Accounting policy for non-current assets and disposal groups held for sale including disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is highly probable within 12 months. Assets and liabilities held for sale (including disposal groups) other than financial instruments are valued at the lower of its carrying value and its fair value less costs to sell. Assets and liabilities held for sale are presented separately in the consolidated statement of financial position.

Impairments are restricted to the carrying value of the non-current assets within the scope of the standard's measurement requirements of IFRS 5 Non current assets Held for Sale and Discontinued Operations.

Assets and liabilities held for sale at 31 December 2024

In 2024, NIBC decided to investigate the strategic options for:

- Beequip B.V., to ensure the equipment leasing platform can continue to grow and develop in the best setting possible;
- its automotive asset financing platform Fin Quest B.V., together with its associate Qar Quest B.V..

As a consequence, Beequip B.V., Fin Quest B.V. and Qar Quest B.V. have been classified as assets held for sale during 2024. Because of the successful closing of these transactions in 2024, no movement schedule has been included.

For further details reference is made to note 42 Business combinations and divestments.

28 DUE TO OTHER BANKS

Accounting policy for due to other banks

Amounts due to other banks are classified at AC.

in EUR millions	2024	2023
Due to other banks	54	60
Due to central banks	-	313
	54	**372**
Due to other banks		
Not payable on demand	54	372
	54	**372**
Legal maturity analysis of due to other banks not payable on demand		
Three months or less	7	15
Longer than three months but not longer than one year	12	313
Longer than one year but not longer than five years	34	44
Longer than five years	-	-
	54	**372**

At 31 December 2024, an amount of EUR 7 million (2023: EUR 15 million) relates to cash collateral received from third parties.

NIBC had drawn amounts under the TLTRO III program. The remainder of the drawn amounts under the TLTRO III program of EUR 300 million was repaid in December 2024.

29 DEPOSITS FROM CUSTOMERS

Accounting policy for deposits from customers

Deposits from customers are classified at AC.

in EUR millions	2024	2023
Retail deposits	12,072	11,145
Institutional/corporate deposits	427	625
	12,499	**11,769**
Deposits from customers		
On demand	6,489	6,194
Term deposits	6,010	5,576
	12,499	**11,769**
Legal maturity analysis of term deposits		
Three months or less	2,424	1,394
Longer than three months but not longer than one year	3,046	3,391
Longer than one year but not longer than five years	504	651
Longer than five years	36	139
	6,010	**5,576**

The total amount of savings value with respect to mortgage loans in this line item amounted to EUR 123 million at 31 December 2024 (2023: EUR 129 million).

30 DEBT SECURITIES IN ISSUE

Accounting policy for debt securities in issue

Debt securities in issue consist of:

- bonds and notes measured at AC, and
- bonds and notes measured at FVtPL.

Accounting policy for financial liabilities designated at fair value through profit or loss

Hybrid or structured financial liabilities are irrevocably designated upon initial recognition to be measured at FVtPL, when the instruments are held to reduce an accounting mismatch, are managed on the basis of their fair value or include terms that qualify as an embedded derivative that cannot be separated.

Measurement of financial liabilities designated at FVtPL follows the same principles as for financial assets classified at FVtPL, except that the movement in the fair value of the financial liability that is attributable to changes in NIBC's own credit risk is presented in OCI.

Debt securities in issue consist of notes issued with embedded derivatives that are tailored to specific investors' needs. The return on these notes is dependent upon the level of certain underlying equity, interest rate, currency, credit, commodity or inflation-linked indices. The embedded derivative within each note issued is hedged on a back-to-back basis, such that effectively synthetic floating rate funding is created. Because of this economic hedge, the income statement is not sensitive to fluctuations in the price of these indices.

Critical accounting estimates and judgements

NIBC estimates its own credit risk from market observable data such as NIBC senior unsecured issues, NIBC subordinated issues and secondary prices for its traded debt, and the valuation is sensitive to the estimated credit spread used to discount future expected cash flows.

Refer to note 36.7 Own credit adjustments on financial liabilities designated at fair value for the sensitivity analysis.

in EUR millions	2024	2023
Debt securities at fair value thorugh profit or loss	86	96
Debt securities at amortised cost	7,654	8,312
	7,740	**8,408**
Legal maturity analysis of debt securities at fair value thorugh profit or loss		
Three months or less	3	-
Longer than three months but not longer than one year	20	14
Longer than one year but not longer than five years	11	23
Longer than five years	52	59
	86	**96**
Movement schedule of debt securities at fair value thorugh profit or loss		
Balance at 1 January	**96**	**89**
Additions	-	0
Matured/redeemed	(14)	-
Changes in fair value	4	6
Other (including exchange rate differences)	0	(0)
Balance at 31 December	**86**	**96**
Legal maturity analysis of debt securities at amortised cost		
Three months or less	55	216
Longer than three months but not longer than one year	1,053	462
Longer than one year but not longer than five years	4,772	5,327
Longer than five years	1,773	2,307
	7,654	**8,312**
Movement schedule of debt securities at amortised cost		
Balance at 1 January	**8,312**	**7,850**
Additions	29	1,754
Matured/redeemed	(710)	(1,298)
Other (including exchange rate differences)	23	6
Balance at 31 December	**7,654**	**8,312**

DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS
The carrying amount is measured at fair value. The contractual amounts of these liabilities to be repaid at maturity, including unpaid accrued interest, amounted to EUR 84 million at 31 December 2024 (2023: EUR 99 million).

The cumulative change in fair value included in the balance sheet amounts (designated at FVtPL) attributable to changes in interest rates and credit risk amounts to a loss of EUR 4 million (2023: nil). The change for 2024 is a loss of EUR 4 million recognised in OCI (2023: loss of EUR 2 million).

The disposals of debt securities in issue designated at FVtPL for 2024 include redemptions at the scheduled maturity date to an amount of EUR 14 million (2023: nil). No repurchases of debt securities before the legal maturity date for 2024 and 2023.

DEBT SECURITIES AT AMORTISED COST
In 2024 NIBC issued an EUR 10 million senior preferred fixed rate commercial paper with a maturity of one year and an USD 20 million senior preferred float rate note with a maturity of two years.

The disposals of own debt securities in issue at AC for 2024 include redemptions at the scheduled maturity date to an amount of EUR 702 million (2023: EUR 1,038 million), no (temporary) buyback of positions (2023 : EUR 97 million) and no repurchases (2023 : EUR 163 million).

The disposals include an EUR 1 million change in cumulative hedge adjustment during 2024 (2023: EUR 6 million change in additions) and EUR 7 million decrease in accrued interest (2023: EUR 14 million increase in additions).

Refer to note 2 Net interest income for recognised interest expense.

31 PROVISIONS

Accounting policy for provisions

A provision is recognised when NIBC has a legal or constructive obligation as a result of a past event, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be remote.

Provisions are measured at the present value of the expected required expenditure to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Refer to section Financial instruments within the Summary of material accounting policies for the accounting policy and section Credit risk (audited) for disclosures of the ECL allowances for off-balance sheet financial instruments.

Provisions

in EUR millions	2024	2023
ECL allowances for off-balance sheet financial instruments	2	3
Employee benefits	2	2
Other provisions	2	5
	7	**10**

Employee benefit obligations of EUR 2 million at 31 December 2024 are related to payments to be made in respect of special leave obligations (2023: EUR 1 million).

in EUR millions	2024	2023
The amounts of pension charges recognised in personnel expenses in the income statement were as follows		
Collective Defined Contribution plans		
Employer's contribution	14	15
Participants' contributions	(2)	(2)
	13	**13**

Employer's contributions in 2024 include EUR 4 million (2023: EUR 4 million) intended to compensate for the pension gap that arose as a result of changed tax rules that became effective as of 1 January 2015.

Obligations and expense under pension plans

A *Collective Defined Contribution* (**CDC**) plan is a pension plan under which NIBC each year pays a fixed percentage of the salaries of the members into the scheme. The size of the fund on retirement will be determined by how much was contributed to the scheme and the investment return achieved.

For defined-contribution plans, NIBC pays contributions directly into the member's scheme. NIBC has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The CDC-plan is based on an average salary plan. The retirement age is set at 68 years as per 1 January 2018. Under the CDC-plan the annual pension contributions are calculated according to a fixed contribution calculation mechanism. NIBC offers a robust pension scheme with a premium of 30% of the pensionable salary. For 2025, the premium remains unchanged, and the accrual ambition of 1.88% is maintained. NIBC contributes 26% of the premium, while the remaining 4% is the employee's contribution.

32 ACCRUALS AND OTHER LIABILITIES

Accounting policy for accruals and other liabilities

NIBC recognises a liability when it becomes legally enforceable. Lease receivable are recognised initially at fair value and subsequently measured at AC using the effective interest method.

Refer to note 24 Property and equipment (including right-of-use assets) for the accounting policy on lease liabilities. All contractual payments are included in the calculation of the lease liabilities, and

- no variable lease payments are included in the measurement of the lease liabilities,
- no amounts are expected to be payable by NIBC under residual value guarantees,
- no purchase options are expected to be exercised,
- no payments of penalties for terminating the lease are included,
- no restrictions or covenants are applicable on the lease liabilities.

in EUR millions	2024	2023
Payables	49	51
Lease liabilities	2	1
Other accruals	15	24
Taxes and social securities	18	13
	83	**90**

Taxes and social securities relate to EUR 2 million VAT (2023: EUR 2 million), EUR 1 million payroll tax (2023: EUR 1 million) and EUR 15 million withholding tax (2023: EUR 10 million).

33 SUBORDINATED LIABILITIES

Accounting policy for subordinated liabilities

Subordinated liabilities are either measured at AC or FVtPL. Refer to note 30 Debt securities in issue for the accounting policy for financial liabilities designated at FVtPL.

in EUR millions	2024	2023
Subordinated loans (FVtPL)	181	159
Subordinated loans (AC)	262	66
	442	**224**
Non-qualifying as grandfathered additional Tier 1 capital	38	44
Subordinated loans	404	181
	442	**224**
Legal maturity analysis of subordinated liabilities		
Three months or less	52	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	59	66
Longer than five years	332	159
	442	**224**
Movement schedule of subordinated liabilities		
Balance at 1 January	**224**	**202**
Additions	203	2
Matured/redeemed	(1)	(82)
Changes in fair value	15	104
Other (including exchange rate differences)	0	(2)
Balance at 31 December	**442**	**224**

SUBORDINATED LOANS (FVTPL)

The fair value reflects movements due to both market interest rate changes and market credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to market interest rate changes is compensated with results on financial derivatives.

The cumulative change in fair value included in the balance sheet amounts (designated at FVtPL) attributable to changes in interest rates and credit risk amounts to a gain of EUR 16 million (2023: gain of EUR 31 million). The change for 2024 is a loss of EUR 22 million recognised in OCI (2023: loss of EUR 82 million).

The contractual amounts of these liabilities to be repaid at maturity, including unpaid but accrued interest at the balance sheet date, amounts to EUR 197 million at 31 December 2024 (2023: EUR 190 million).

All of the above loans are subordinated to the other liabilities of NIBC Bank N.V.. The non-qualifying as grandfathered additional Tier 1 capital consists of perpetual securities and may be redeemed by NIBC Bank N.V. only with the prior approval of the DNB.

The disposals include no repurchases for 2024 (2023: EUR 81 million), the repurchase of 2023 relates to a tender launched in December for two bonds. In 2024 no gains or losses are realised on the repurchase of liabilities with respect to this balance sheet item (2023: gain of EUR 1 million).

SUBORDINATED LOANS (AC)

In 2024 NIBC issued a EUR 200 million fixed rate Tier 2 instrument with a maturity of 10.5 years.

34 EQUITY

Accounting policy for equity

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

SHARE CAPITAL

Flora Holdings III Limited is the legal holder of 100% in the ordinary shares of NIBC Holding N.V. at 31 December 2024. NIBC's issued ordinary share capital is fully paid-up.

ISSUE COSTS OF SHARES

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

SHARE PREMIUM

This reserve comprises the difference between the par value of NIBC shares and the total amount received for issued shares. The share premium reserve is credited for equity-related expenses and is also used for issued shares.

REVALUATION RESERVES

Revaluation reserves comprises of:

- Revaluation reserve – hedging revaluation, containing the portion of the gains or losses on hedging instruments in a cash flow hedge that is determined to be an effective hedge (net of tax);
- Revaluation reserve – debt investments, containing changes in fair value of debt investments at FVOCI (net of tax);
- Revaluation reserve – property, containing changes in fair value of land and buildings (net of tax).

OWN CREDIT RISK RESERVE

Own credit risk reserve includes the cumulative changes in the fair value of the financial liabilities designated at FVtPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss (net of tax).

DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognised as a liability in the period that the obligation for payment has been established, being in the period in which they are approved or declared by the shareholder but not distributed at the end of the reporting period.

DIVIDEND RESTRICTIONS

NIBC and its Dutch group companies are subject to legal restrictions regarding the amount of dividends they can pay to their shareholders. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to the excess of the company's own funds over the sum of the paid-up capital and reserves required by law. Additionally, certain group companies are subject to restrictions on the amount of funds they may transfer in the form of dividend or otherwise to the parent company. Refer to note 10 Equity of the Company Financial Statements for detailed information regarding the legal reserves.

in EUR millions	2024	2023
Equity attributable to the equity holders		
Share capital	3	3
Share premium	1,287	1,287
Revaluation reserves		
Revaluation reserve – hedging instruments	0	1
Revaluation reserve – debt investments	(4)	(6)
Revaluation reserve – property	16	15
Own credit risk reserve	(0)	25
Retained profit	501	626
	1,803	**1,952**

In 2024 a dividend of EUR 322 million (2023: EUR 136 million) has been distributed. This dividend payment 2024 includes an additional dividend of EUR 116 million, following the significant reduction of risk weighted assets through the sale of the Shipping portfolio. The additional dividend payment is made from retained earnings.

Refer to note 36.7 Own credit adjustments on financial liabilities designated at fair value for the sensitivity analysis.

	2024	2023	2024	2023
	Numbers x 1,000		in EUR millions	
Ordinary shares (with par value of EUR 0.02)	350,000	350,000	7	7
Preference shares (with par value of EUR 0.02)	350,000	350,000	7	7
	700,000	**700,000**	**14**	**14**
Not issued share capital (ordinary and preference shares)	553,512	553,512	11	11
Issued share capital (ordinary shares)	**146,488**	**146,488**	**3**	**3**

Changes in share premium and revaluation reserves in 2024

in EUR millions	Share premium	Revaluation reserves Hedging instruments	Debt investments	Property in own use	Own credit risk reserve	Total 2024
Balance at 1 January 2024	**1,287**	**1**	**(6)**	**15**	**25**	**1,322**
Net result on hedging instruments (net of tax)	-	(0)	-	-	-	(0)
Revaluation/remeasurement (net of tax)	-	-	1	1	(26)	(23)
Total recognised directly through other comprehensive income in equity during the year	**-**	**(0)**	**1**	**1**	**(26)**	**(24)**
Balance at 31 December 2024	**1,287**	**0**	**(4)**	**16**	**(0)**	**1,299**

Changes in share premium and revaluation reserves in 2023

in EUR millions	Share premium	Revaluation reserves Hedging instruments	Debt investments	Property in own use	Own credit risk reserve	Total 2023
Balance at 1 January 2023	**1,287**	**3**	**(11)**	**14**	**110**	**1,404**
Net result on hedging instruments (net of tax)	-	(2)	-	-	-	(2)
Revaluation/remeasurement (net of tax)	-	-	5	0	(84)	(79)
Total recognised directly through other comprehensive income in equity during the year	**-**	**(2)**	**5**	**0**	**(84)**	**(81)**
Balance at 31 December 2023	**1,287**	**1**	**(6)**	**15**	**25**	**1,322**

Information on NIBC's solvency ratios is included in the Solvency and liquidity section of this Annual Report.

35 CAPITAL SECURITIES

Accounting policy for capital securities

The capital securities are perpetual and have no expiry date, and, as there is no formal obligation to (re)pay the principal or to pay a dividend, capital securities are recognised as equity. Issue costs or dividends paid are consequently also directly recognised in equity.

in EUR millions	2024	2023
Movement schedule of capital securities issued by NIBC		
Balance at 1 January	**200**	**200**
Additions	200	-
Redemptions	(200)	
Profit after tax attributable to holders of capital securities	9	12
Paid coupon on capital securities	(9)	(12)
Balance at 31 December	**200**	**200**

On 3 July 2024, after a successful tender offer on its outstanding Additional Tier 1 (**AT1**) notes with a perpetual maturity and a fixed coupon of 6.0%, NIBC decided to buy back approximately EUR 156 million of its outstanding AT1 notes. The buy-back of AT1 notes

(including accrued interest) was settled on 5 July 2024. The remainder outstanding amount of approximately EUR 44 million has been called at the first upcoming call date 15 October 2024.

On 4 July 2024, NIBC issued EUR 200 million of AT1 notes with a perpetual maturity, a first call after 6 years and a fixed coupon of 8.25%. AT1 bonds are subordinated notes and serve as capital instruments that banks utilize to enhance their core equity base.

The distribution on the capital securities issued in July 2024 is as follows: the coupon is 8.25% per year and is made payable every six months in arrears as of the issue date. The capital securities are first redeemable on 4 January 2030. As of 4 January 2030, and subject to capital securities not being redeemed early, the distribution is set for a further five-year period, but without a step-up, based on the five-year euro swap rate +5.56%. Any payments including coupon payments are fully discretionary.

36 FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting policy for determination of fair value
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36.8 Non-financial assets valued at fair value
36.9 Fair value of financial instruments not measured at fair value

Accounting policy for determination of fair value

DETERMINATION OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell or paid to transfer a particular asset or liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which NIBC has access at that date.

FAIR VALUE HIERARCHY LEVELS

A financial instruments is reported as level 1 in the fair value hierarchy, when the fair value is determined either by reference to quoted market prices or dealer price quotations (without adjustment for transaction costs) in an active market. The fair value measurement is based upon the bid price for financial assets and the ask price for financial liabilities. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

The fair value of financial instruments not quoted in an active market is determined using appropriate valuation techniques. These valuation techniques are applied using, where possible, relevant market observable inputs (level 2) or unobservable inputs (level 3). Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, option pricing models, credit models and other relevant models.

The fair value of level 3 financial instruments is determined using a valuation technique based on NIBC's best estimate of the most appropriate assumptions and that has been calibrated against actual market transactions. Outcomes are adjusted to reflect the spread for bid and ask prices (both from independent sources), to reflect costs to close out positions, where necessary for counterparty credit and liquidity spread, and for any other limitations in the technique.

The level within the fair value hierarchy at which an instrument measured at fair value is categorised is determined on the basis of the lowest level input that is significant to the measurement of fair value in its entirety.

Profit or loss, calculated upon initial recognition (day one profit or loss), is deferred unless the calculation is based on solely market observable inputs, in which case it is immediately recognised. Deferred day one profit or loss is amortised to income over the contractual life until maturity or settlement.

Critical accounting estimates and judgements

NIBC's fair value methodology and the governance over its models include a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of NIBC including the Risk and Finance functions.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of those who prepared them. All models are reviewed prior to use and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent possible, models use only observable data; however, in areas such as applicable credit spreads (both own credit spread and counterparty credit spreads), volatilities and correlations may require management to estimate inputs. However, the use of different models or assumptions could affect the reported fair values for level 2 and level 3 financial instruments.

36.1 Financial instruments by fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 within the fair value hierarchy based on the degree to which the fair value is observable:

Fair value of financial instruments at 31 December 2024

in EUR millions	Level 1	Level 2	Level 3	2024
Financial assets at fair value through profit or loss (including trading)				
Derivative financial assets	-	83	-	**83**
Debt investments	-	11	0	**11**
Loans	4	90	1	**96**
Equity investments (including investments in associates)	-	-	112	**112**
	4	**184**	**113**	**301**
Financial assets at fair value through other comprehensive income				
Debt investments	1,145	29	-	**1,174**
	1,145	**29**	**-**	**1,174**
	1,149	**213**	**113**	**1,476**

in EUR millions	Level 1	Level 2	Level 3	2024
Financial liabilities at fair value through profit or loss (including trading)				
Derivative financial liabilities	-	104	-	**104**
Debt securities in issue	-	86	-	**86**
Subordinated liabilities	-	181	-	**181**
	-	**370**	**-**	**370**

Fair value of financial instruments at 31 December 2023

in EUR millions	Level 1	Level 2	Level 3	2023
Financial assets at fair value through profit or loss (including trading)				
Derivative financial assets	-	156	-	**156**
Debt investments	2	9	0	**11**
Loans	6	124	23	**153**
Equity investments (including investments in associates)	-	-	118	**118**
	8	**289**	**141**	**438**
Financial assets at fair value through other comprehensive income				
Debt investments	851	46	0	**897**
	851	**46**	**0**	**897**
	859	**335**	**141**	**1,334**

in EUR millions	Level 1	Level 2	Level 3	2023
Financial liabilities at fair value through profit or loss (including trading)				
Derivative financial liabilities	-	129	-	**129**
Debt securities in issue	-	96	-	**96**
Subordinated liabilities	-	159	-	**159**
	-	**384**	**-**	**384**

36.2 Valuation techniques

The following is a description of the determination of fair value for financial instruments that are recorded at fair value using either quoted prices or valuation techniques. These incorporate NIBC's interpretation of valuation assumptions (qualitative) that a market participant would consider when valuing the instruments.

Financial assets at fair value through profit or loss and at fair value through other comprehensive income

DERIVATIVES FINANCIAL ASSETS AND LIABILITIES (HELD FOR TRADING AND USED FOR HEDGING) - LEVEL 2

Derivative products valued using a valuation technique with market-observable inputs are mainly interest rate swaps, currency swaps, credit default swaps and FX contracts. The most frequently applied valuation techniques include swap models using present value calculations, discounted at the daily corresponding forward rates. The models incorporate various inputs including FX rates, credit spread levels and interest rate curves. Credit derivative valuation models also require input as to the estimated probability of default and recovery value.

DEBT INVESTMENTS - LEVEL 1

For the determination of fair value, NIBC used market-observable prices. NIBC has determined the fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

DEBT INVESTMENTS - LEVEL 2

For the determination of fair value, NIBC applies a variety of valuation techniques, including reference to similair instruments for which market prices are available and valuation techniques such as discounted cashflow models. NIBC applies market-observable prices, interest rates and credit spreads derived from market-observable data. NIBC has determined fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

DEBT INVESTMENTS - LEVEL 3

For the level 3 debt investments, NIBC uses valuation models that apply discounted cash flow analysis that incorporates both observable and unobservable data. Observable inputs include interest rates and collateral values; unobservable inputs include assumptions regarding credit spreads and market liquidity discounts.

LOANS - LEVEL 2 AND 3

Loans are marked-to-market by applying market bid quotes observed on the secondary market. The quotes received from other banks or brokers and applied in the marked-to-market process are calibrated to actual market trades whenever possible.

In certain instances a discounted cash flow model is used based on various assumptions including market interest rates, market credit spread levels and assumptions regarding market liquidity, where relevant. Additional pricing reference points have been obtained by collecting spreads using primary transactions that are comparable with the relevant loans.

EQUITY INVESTMENTS (INCLUDING INVESTMENTS IN ASSOCIATES) - LEVEL 3

The fair value of investments in equity funds is determined based on the net asset value reported by the managers of these funds. These net asset values are analysed for reasonableness, so as to ascertain that the reported net asset value has been appropriately derived using proper fair value principles as part of a robust process.

The fair value of equity investments is established by applying capitalisation multiples to maintainable earnings. Maintainable earnings are estimated based on the normalised last 12 months' Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**). Capitalisation multiples are derived from the enterprise value and the normalised last 12 months EBITDA. On each reporting date, the capitalisation multiple of each equity investment is compared against those derived from the publicly available enterprise value and earnings information of traded peers, where these can be identified. Peer capitalisation multiples are normalised for factors such as differences in regional and economic environment, time lags in earnings information and one-off gains and losses.

The resulting enterprise value is adjusted for net debt, non-controlling interests, illiquidity and management incentive plans to arrive at the fair value of the equity.

Financial liabilities at fair value through profit or loss (including trading)

OWN LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS - LEVEL 2

This portfolio was designated at FVtPL and is reported on the face of the statement of financial position under the following headings:

- Debt securities in issue structured (financial liabilities at FVtPL);

- Subordinated liabilities (financial liabilities at FVtPL).

The fair value of the notes issued and the back-to-back hedging swaps (refer to note 30 Debt securities in issue) is determined using valuation models developed by a third party employing Monte Carlo simulation, lattice valuations or closed formulas, depending on the type of embedded derivative. These models use market observable inputs (e.g. interest rates, equity prices) for valuation of these structures.

For each class of own financial liabilities at FVtPL, the expected cash flows are discounted to present value using market observed credit spread rates.

36.3 Transfers between level 1 and level 2

Transfers between levels are reviewed semi-annually at the end of the reporting period. In 2024 there was one transfer (EUR 2 million) from level 1 to level 2 in the debt investments at FVtPL (2023: one tranfers for an amount of EUR 2 million).

36.4 Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value:

in EUR millions	At 1 January 2024	Amounts recognised in the income statement	Purchases/Additions	Sales	Settlements/ Disposals	Transfers into/out of level 3	At 31 December 2024
Financial assets at fair value through profit or loss (including trading)							
Debt investments	**0**	0	-	-	(1)	-	**0**
Loans	**23**	(0)	0	-	(21)	-	**1**
Equity investments (including investments in associates)	**118**	1	3	-	(10)	-	**112**
	141	**1**	**3**	**-**	**(31)**	**-**	**113**

in EUR millions	At 1 January 2023	Amounts recognised in the income statement	Purchases/Additions	Sales	Settlements/ Disposals	Transfers into/out of level 3	At 31 December 2023
Financial assets at fair value through profit or loss (including trading)							
Debt investments	**1**	0	2	-	(2)	-	**0**
Loans	**3**	4	0	(1)	(8)	24	**23**
Equity investments (including investments in associates)	**162**	(5)	4	(10)	(33)	-	**118**
	166	**(0)**	**6**	**(10)**	**(44)**	**24**	**141**

Total gains or losses on level 3 financial instruments in the previous table are presented in the income statement as follows:

	For the years ended							
	31 December 2024				31 December 2023			
in EUR millions	Net trading income	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total	Net trading income	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total
Financial assets at fair value through profit or loss (including trading)								
Debt investments	0	-	-	0	0	-	-	0
Loans	-	(0)	-	(0)	-	4	-	4
Equity investments (including investments in associates)	2	-	(1)	1	1	-	(5)	(5)
	2	**(0)**	**(1)**	**1**	**1**	**4**	**(5)**	**(0)**

The amount in total gains or losses presented in the income statement for the period relating to the assets and liabilities held in level 3 until the end of the reporting period is given in the following table:

	For the years ended			
	31 December 2024		31 December 2023	
in EUR millions	Held at reporting date	Derecognised during the period	Held at reporting date	Derecognised during the period
Financial assets at fair value through profit or loss (including trading)				
Debt investments	0	(0)	-	0
Loans	0	(0)	4	-
Equity investments (including investments in associates)	1	(1)	(7)	3
	2	**(1)**	**(3)**	**3**

RECOGNITION OF UNREALISED GAINS AND LOSSES IN LEVEL 3

Amounts recognised in the income statement relating to unrealised gains and losses during the year that relate to level 3 assets and liabilities are included in the income statement as follows:

	For the years ended					
	31 December 2024			31 December 2023		
in EUR millions	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total
Financial assets at fair value through profit or loss (including trading)						
Loans	(0)	-	**(0)**	4	-	**4**
Equity investments (including investments in associates)	-	1	**1**	-	(11)	**(11)**
	(0)	**1**	**1**	**4**	**(11)**	**(7)**

36.5 Impact of valuation adjustments

The following table shows the movement in the aggregate profit not recognised when financial instruments were initially recognised (Day-1 profit).

in EUR millions	2024	2023
Movement schedule of Day-1 profit		
Balance at 1 January	**6**	**10**
Deferral of profit on new transactions	1	1
Recognised in the income statement during the period		
Subsequent recognition due to amortisation	(1)	(1)
Subsequent remeasurement	-	9
Derecognition of the instruments	-	(1)
Exchange differences	0	0
Write-offs	-	(13)
Balance at 31 December	**6**	**6**

36.6 Sensitivity of fair value measurements to changes in observable market data

The following table shows the impact on the fair value of level 3 instruments of using reasonably possible alternative assumptions by class of instrument:

	For the years ended			
	31 December 2024		31 December 2023	
in EUR millions	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Financial assets at fair value through profit or loss (including trading)				
Debt investments	0	0	0	-
Loans	1	0	23	1
Equity investments (including investments in associates)	112	6	118	6

In order to determine the reasonably possible alternative assumptions, NIBC adjusted key unobservable valuation technique inputs as follows:

- For the debt investments, NIBC adjusted the weighted average calculated model price by 100 basis points as a reasonably possible alternative outcome. The primary unobservable input in the calculated model price is the applicable credit spread;
- For equity investments, the material unobservable input parameters, such as capitalisation multiple, that are applied to the maintainable earnings to determine fair value are adjusted by 5%;
- For loans, the sensitivity in unobservable input parameters, such as the change in discount factor due to macroeconomic developments, company specific risk profile and yield offer vs. demand in sector is determined as 5%.

36.7 Own credit adjustments on financial liabilities designated at fair value

Changes in the fair value of financial liabilities designated at FVtPL related to own credit are recognised in OCI and presented in the statement of comprehensive income. The following table summarises the effects of own credit adjustments related to financial liabilities designated at fair value. Life-to-date amounts reflect the cumulative unrealised change since initial recognition.

in EUR millions	2024	2023
Recognised during the period (before tax)		
Unrealised gain/(loss)	(26)	(84)
Unrealised life-to-date gain/(loss)	(1)	25

A 10 basis point change in the weighted average credit spread used to discount future expected cash flows would change the fair value of financial liabilities at 31 December 2024 by EUR 2 million (31 December 2023: EUR 2 million).

36.8 Non-financial assets valued at fair value

PROPERTY AND EQUIPMENT/INVESTMENT PROPERTY

NIBC's land and buildings (in-own-use) are valued based upon an external appraisal at FVOCI, the carrying amount (level 3) at 31 December 2024 is EUR 24 million (31 December 2023: EUR 24 million).

NIBC's investment property (available-for-rental) are valued based upon an external appraisal at FVtPL, the carrying amount (level 3) at 31 December 2024 is EUR 24 million (31 December 2023: EUR 24 million). The fair value of the right-of-use assets does not materially deviate from the carrying amount.

36.9 Fair value of financial instruments not measured at fair value

The following table presents the carrying values and estimated fair values of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis:

	Fair value information at 31 December 2024					
in EUR millions	Carrying value	Carrying value approximates fair value	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost						
Cash and balances with central banks	3,096	3,096	-	-	-	**3,096**
Due from other banks	598	598	-	-	-	**598**
Mortgage loans	13,622	-	-	-	13,404	**13,404**
Corporate loans	4,096	8	-	4,132	-	**4,140**
Lease receivables	1	1	-	-	-	**1**
Financial liabilities at amortised cost						
Due to other banks	54	54	-	-	-	**54**
Deposits from customers	12,499	6,793	-	6,083	-	**12,876**
Debt securities in issue	7,654	-	-	7,381	-	**7,381**
Subordinated liabilities	262	-	-	260	-	**260**

	Fair value information at 31 December 2023					
in EUR millions	Carrying value	Carrying value approximates fair value	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost						
Cash and balances with central banks	1,994	1,994	-	-	-	**1,994**
Due from other banks	551	551	-	-	-	**551**
Mortgage loans	12,911	-	-	-	12,621	**12,621**
Corporate loans	4,889	21	-	4,880	-	**4,901**
Lease receivables	1,281	5	-	1,274	-	**1,278**
Financial liabilities at amortised cost						
Due to other banks	372	372	-	-	-	**372**
Deposits from customers	11,769	6,530	-	5,647	-	**12,176**
Debt securities in issue	8,312	-	-	7,874	-	**7,874**
Subordinated liabilities	66	-	-	61	-	**61**

The carrying value of deposits from customers includes the accumulated amount of fair value adjustments on hedged liabilities. These balances are the result of the macro hedge relationships between the hedging instruments and the hedged items, which also include, in addition to deposits form customers, the fixed rate wholesale funding.

37 FINANCIAL ASSETS SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

The following tables show all derivatives that are presented net in the statement of financial position under the IFRS netting criteria (legal right to offset and intention to settle net or to realise the asset and settle the liability simultaneously) and related cash collateral paid not set off in the statement of financial position. At NIBC amounts that are offset mainly relate to derivatives transactions. A significant portion of offsetting is applied to derivatives which are cleared through central clearing parties. Related cash collateral which cannot be offset are amounts which are part of International Swaps and Derivatives Association (**ISDA**) netting agreements.

The related amounts are reported on the asset side of the statement of financial position as the ISDA agreements do not meet all requirements for offsetting in IAS 32.

	At 31 December 2024			
	Net amount of financial assets presented	Related amounts not set off in the statement of financial position		
in EUR millions	in the statement of financial position	Financial instruments collateral	Cash collateral paid	Net amount
Derivative financial assets	83	-	7	**76**
Derivative financial liabilities	104	-	85	**19**

	At 31 December 2023			
	Net amount of financial assets presented	Related amounts not set off in the statement of financial position		
in EUR millions	in the statement of financial position	Financial instruments collateral	Cash collateral paid	Net amount
Derivative financial assets	156	-	15	**141**
Derivative financial liabilities	129	-	108	**21**

38 REPURCHASE AND RESALE AGREEMENTS AND TRANSFERRED FINANCIAL ASSETS

REPURCHASE AND RESALE AGREEMENTS

As per 31 December 2024 NIBC did not have any repurchase and resale agreement related positions as described in this note (2023: nil).

TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

If transferred financial assets continue to be recognised on the statement of financial position, NIBC is still exposed to changes in the fair value of the assets.

The following table shows transferred financial assets that are not derecognised in their entirety:

in EUR millions	2024	2023
Securitisations		
Carrying amount transferred assets	4,268	4,285
Carrying amount associated liabilities	1,005	1,004
Fair value of assets	3,918	3,875
Fair value of associated liabilities	984	965
Net position	**2,934**	**2,909**

THE COVERED BOND PROGRAMME

Under NIBC's Covered Bond programme, notes are issued by NIBC covered with NIBC's investments in financial assets. Bond holders are protected from suffering a loss in the event that NIBC defaults because at the moment the notes were issued, NIBC also transferred the legal title of a portfolio of mortgages to an SE to act as collateral manager for the covered bond investors. From a legal perspective, the SE guarantees the repayment of the Covered Bonds. The title transfer of the mortgages has been achieved by NIBC providing an intercompany loan on the same terms and conditions as the external bonds to the SE. The SE used the proceeds to purchase the Mortgage portfolio. The net result is that the SE retains the legal title, but proceeds from the mortgages are passed through the intercompany loan to the covered bond holders. NIBC consolidates the SE on the basis that, in addition to having power as the sole owner, NIBC also is entitled to substantial variable returns through the over-collateralised portion of the sold mortgages.

CONTINUING INVOLVEMENT IN TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

NIBC does not have any material transferred assets that are derecognised in their entirety, but where NIBC has continuing involvement.

39 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Accounting policy for commitments and contingent assets and liabilities

COMMITMENTS

At any time, NIBC has outstanding commitments to extend credit. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one to three months.

Commitments extended to customers related to mortgages at fixed-interest rates or fixed spreads are hedged with interest rate swaps recorded at fair value. These commitments are designated upon initial recognition at FVtPL.

FINANCIAL GUARANTEES

NIBC provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. Expirations are not concentrated in any period. The amounts for guarantees and letters of credit in this note represent the maximum accounting loss that would be recognised if counterparties failed completely to perform as contracted.

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. In the following table, it is assumed that amounts are fully advanced.

The amounts for guarantees and letters of credit represent the maximum accounting loss that would be recognised if counterparties failed completely to perform as contracted.

in EUR millions	2024	2023
Contract amount		
Committed facilities with respect to corporate loan financing	689	1,001
Committed facilities with respect to mortgage loans	625	332
Capital commitments with respect to equity investments	4	8
Guarantees granted (including guarantees related to assets held for sale)	15	24
Irrevocable letters of credit	27	31
	1,360	**1,395**

Committed facilities with respect to corporate loan financing contains EUR 22 million of committed facilities for corporate loans at FVtPL (2023: EUR 20 million). Refer to subsection "Expected credit loss determination" within section Credit risk (audited) for the ECL-allowances on off-balance sheet financial instrument positions classified at AC or FVOCI.

Since 2016 NIBC has opted for paying part of its annual contribution to the Single Resolution Fund (SRF) via Irrevocable payment commitments (IPCs). As a consequence, an interest bearing amount (i.e. cash collateral) of EUR 7.9 million is recognised in the consolidated financial position at 31 December 2024. As the Single Resolution Board can call and demand for (partial) payment of the outstanding IPC amount, a nominal contingent liability of EUR 7,9 million exists at 31 December 2024. The probability of calling part of the outstanding IPC amount by the SRB is considered remote.

in EUR millions	2024	2023
Remaining legal maturity analysis of issued financial guarantees & commitments loans		
One year or less	625	455
Longer than one year but not longer than five years	615	723
Longer than five years but not longer than ten years	103	195
Longer than ten years	18	22
	1,360	**1,395**

These commitments and contingent liabilities have off-balance sheet credit risk because only commitment/origination fees and accruals for probable losses are recognised in the statement of financial position until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows.

Details of concentrations of credit risk including concentrations of credit risk arising from commitments and contingent liabilities as well as NIBC's policies for collateral for loans are set out in the Risk management paragraph.

Claims, investigations, litigation or other proceedings or actions may have a material adverse effect on NIBC's business, results of operations, financial condition and prospects.

NIBC is involved in a number of proceedings and settlement negotiations that arise with customers, counterparties, current or former employees or others in the course of its activities.

Proceedings may relate to, for example, alleged violations of NIBC's duty of care (*zorgplicht*) vis-à vis its (former) customers or the provision of allegedly inadequate services. Negative publicity associated with certain sales practices, compensation payable in respect of such issues or regulatory changes resulting from such issues could have a material adverse effect on NIBC's reputation, business, results of operations, financial condition and prospects. Dutch financial services providers are increasingly exposed to collective claims from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving unprecedented legal claims in respect of assumed mis-selling or other violations of law or customer rights.

While NIBC has made considerable investment in reviewing and assessing historic sales and 'know your customer' practices and in the maintenance of risk management, legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated. Assessments of the likelihood of claims arising from former activities are often difficult to accurately assess, due to the difficulties in applying more recent standards or court judgements to past practices.

Furthermore, many individual transactions are heavily fact-specific and the likelihood of applicability to more transactions of a court decision received on one particular transaction, is difficult to predict until a claim actually materialises and is elaborated. Changes in customer protection regulations and in interpretation and perception by both the public at large and governmental authorities of acceptable market practices might also influence client expectations.

The costs and staffing capacity required to defend against future actions may be significant. Counterparties in these proceedings may also seek publicity, over which NIBC will have no control, and this publicity could lead to reputational harm to NIBC and potentially decrease customer acceptance of NIBC's services, regardless of whether the allegations are valid or whether NIBC is ultimately found liable. NIBC recognises provisions when losses with respect to such matters are more likely than not. Provisions are not recognised for matters for which an expected cash outflow cannot be reasonably estimated or which are not more likely than not to lead to a cash outflow.

NIBC is, with some regularity, subject to inspections from its regulators, from which obligations may arise, for which expected cash outflows are remote as at 31 December 2024.

Based upon legal advice, NIBC's management is of the opinion that, taking into consideration the facts as known at present, there is no on-going legal action being taken against NIBC which is likely to have a material adverse effect on the consolidated financial position or consolidated results of NIBC.

40 ASSETS TRANSFERRED OR PLEDGED AS COLLATERAL

in EUR millions	2024	2023
Assets have been pledged as collateral in respect of the following liabilities and contingent liabilities		
Liabilities		
Due to other banks/Own debt securities in issue	4,513	4,821
Derivative financial liabilities	99	71
Debt securities in issue related to securitised loans and mortgages	213	230
	4,825	**5,122**
Details of the carrying amounts of assets pledged as collateral		
Assets pledged		
Debt investments/Mortgage loans own book	5,544	5,814
Securitised loans and mortgages	214	234
Cash collateral (due from other banks)	115	115
	5,873	**6,163**

As part of NIBC's funding and credit risk mitigation activities, the cash flows of selected financial assets are transferred or pledged to third parties. Furthermore, NIBC pledges assets as collateral for derivative transactions. Substantially all financial assets included in these transactions are mortgage loans, other loan portfolios, debt investments and cash collateral. The extent of NIBC's continuing involvement in these financial assets varies by transaction.

The asset encumbrance ratio (encumbered assets and total collateral received re-used divided by total assets and total collateral re-used) at 31 December 2024 was 26% (2023: 27%).

41 ASSETS UNDER MANAGEMENT

NIBC provides collateral management services, whereby it holds and manages assets or invests funds received in various financial instruments on behalf of customers. NIBC receives fee income for providing these services. Assets under management are not recognised in the consolidated statement of financial position. NIBC is not exposed to any credit risk relating to these assets, as it does not guarantee these investments.

in EUR millions	2024	2023
Assets held and managed by NIBC on behalf of customers	13,750	14,431
	13,750	**14,431**

Assets under management consist of the following activities:
- Credit Management manages external investors' funds invested in sub- investment grade secured and unsecured debt. Credit Management focuses predominantly on European leveraged loans, infrastructure debt and high yield bonds;
- Under OTM mandates, NIBC's Mortgages manages external investors' funds invested in Dutch mortgages;

Refer to note 3 Fee income for related investment management and OTM fee income.

NIBC's sustainability policy framework, including applicable sector policies, is also applicable to the investments made under these programmes.

For more information please see our website.

42 BUSINESS COMBINATIONS AND DIVESTMENTS

ACQUISITIONS AND DIVESTMENTS IN 2024

In April 2024, NIBC committed to a plan to sell its leasing company Beequip B.V. part of operating segment Platforms. At 4 September 2024 NIBC reached agreement on the sale of 100% of the shares of Beequip B.V. to funds managed by affiliates of Apollo Global Management which was closed on 27 November 2024. .

On 30 June 2024 NIBC committed itself to a plan to sell its automotive asset financing platform yesqar (Fin Quest B.V.) together with its 40% shareholding Qar Quest B.V.. As of that date the lending portfolio and equity investment in scope were classified as assets held for sale by NIBC. Ultimately on 3 December 2024 the automotive asset financing platform has been sold by NIBC to DFM N.V.. Furthermore the shares of Qar Quest B.V. held by NIBC were cancelled against a repayment amount at the same date.

The total net result of all these transactions to an amount of EUR 12.0 million is presented under 'Gains or (losses) on disposal of assets' in the consolidated income statement 2024. The contribution of the platform companies to the net result after tax of NIBC Bank N.V. over the period 1 January 2024 until the date that NIBC lost control over the platform companies, amounts to EUR 25.5 million positive.

in EUR millions	2024
Corporate loans (AC)	383
Lease receivables	1,393
Property and equipment (including right of use assets)	134
Intangible assets	2
Other assets (including cash on banks)	87
Other liabilities (Funding)	(1,911)
Carrying value	**87**
Result on disposal	12
Selling price	**99**
Net cash in subsidiaries disposed of	(67)
Net cash inflow from disposal of subsidiaries	**32**

ACQUISITIONS AND DIVESTMENTS IN 2023

In 2023 there were no new business combinations and no divestments.

43 RELATED PARTY TRANSACTIONS

In the normal course of business, NIBC enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Related parties of NIBC include, amongst others, its subsidiaries, associates and key management personnel. The transactions were made at an arm's length price. Transactions between NIBC and its subsidiaries meet the definition of related party transactions. However, as all of these transactions are eliminated on consolidation, they are not disclosed as related party transactions.

TRANSACTIONS INVOLVING NIBC'S SHAREHOLDERS

During 2024, there were no new significant related party relationships, as well as no significant related party transactions, other than dividend distribution of EUR 322 million, that are relevant for disclosure to get an understanding of the changes in the consolidated financial position and performance of NIBC, since the end of the last annual reporting period.

TRANSACTIONS WITH OTHER ENTITIES CONTROLLED BY NIBC'S SHAREHOLDERS

There were no transactions with other entities controlled by NIBC's shareholders in 2024 and 2023.

TRANSACTIONS RELATED TO ASSOCIATES

At 31 December 2024 NIBC has EUR 5 million of loans outstanding to associates (2023: EUR 7 million) and EUR 0.2 million of undrawn loan commitments (2023: EUR 4 million), on which EUR 0.6 million income was earned (2023: EUR 0.5 million).

Key management personnel compensation

NIBC's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel is defined at those persons having authority and responsibility for planning, directing and controlling the activities of NIBC (directly and indirectly). Key management personnel for remuneration disclosure purposes of NIBC consist of the ExCo members (including Statutory Board members). The (indirect) shareholdings under the Management Investment Plan ('MIP') in NIBC Holding N.V. are disclosed for key management personnel and other selected senior staff who participate in the MIP.

Details of the different reward components of the remuneration and holdings in NIBC Choice instruments of the Statutory Board members and details of the remuneration of the Supervisory Board members are also disclosed as part of the Related party transactions note. For details of holdings of other staff in NIBC Choice instruments reference is made to note 8 Personnel expenses and share-based payments.

Transactions with key management personnel and related parties

IAS 24 'Related party disclosures' requires the following additional information for key management compensation (i.e. ExCo, including the Statutory Board).

INTRODUCTION

In 2024, the average number of members of the Statutory Board appointed under the articles of association was four (2023: four). For the total regular annual remuneration costs (including pension costs) of the Statutory Board reference is made to note 8 Personnel expenses and share-based payments.

On 1 February 2024 Mr. J.M. Albers and Mr. P. Buxton stepped down from the Executive Committee (ExCo). Therefore the ExCo consists of six members since 1 February 2024.

REMUNERATION OF THE STATUTORY BOARD MEMBERS

The Supervisory Board reviewed and amended NIBC's Remuneration Policy in 2024. The review took account of all relevant laws, regulations and guidelines: the Dutch Corporate Governance Code, the Dutch Banking Code, the DNB Principles on Sound Remuneration Policies (DNB Principles), including additional DNB guidance on the implementation of the DNB Principles and the Committee of European Banking Supervisors Guidelines (CEBS Guidelines) on Remuneration Policies and Practices and CRD IV and the Dutch remuneration legislation for Financial Service Companies (Wet nadere beloning Financiële ondernemingen (Wnbfo)).

Compensation of ExCo-members awarded over the year 2024

	Short-term incentive compensation				
in EUR	Base salary	Cash Bonus	Other remuneration elements[1]	Total short-term incentive compensation	Severance payment
Current and former Statutory Board	4,832,913	-	1,249,070	**6,081,983**	1,518,915
Current and former Executive Board, not Statutory Board	989,196	3,000	256,736	**1,248,932**	-
Total Executive Committee	**5,822,109**	**3,000**	**1,505,806**	**7,330,915**	**1,518,915**

1 Including a collective allowance to compensate for loss of pension benefits with respect to salary in excess of EUR 137,800.

	Long-term (incentive) compensation	One-off sign-on bonus		
in EUR	Post employment contribution	Deferred Cash	(Restricted)Phantom Share Units	Total
Current and former Statutory Board	140,951	-	-	**7,741,848**
Current and former Executive Board, not Statutory Board	72,470	-	-	**1,321,402**
Total Executive Committee	**213,421**	**-**	**-**	**9,063,250**

The difference between the compensation awarded to the Statutory Board over the year 2024, as disclosed in this table, and the remuneration expenses of the Statutory Board as reported in note 8 mainly relates to the severance payment to the CRO, which will be payable at the end of his employment, i.e. on 30 June 2025. This amount has been included in the 2024 personnel expenses, as agreement was reached in 2024.

Compensation of ExCo-members awarded over the year 2023

	Short-term incentive compensation				
in EUR	Base salary	Sign on and Cash bonus	Other remuneration elements[1]	Total short-term incentive compen sation	Severance payment
Current and former Statutory Board	5,133,216	105,000	1,323,689	**6,561,905**	1,077,723
Current and former Executive Board, not Statutory Board	1,762,884	4,000	459,818	**2,226,702**	-
Total Executive Committee	**6,896,100**	**109,000**	**1,783,507**	**8,788,607**	**1,077,723**

1 Including a collective allowance to compensate for loss of pension benefits with respect to salary in excess of EUR 128,810.

in EUR	Long-term (incentive) compensation Post employment contribution	One-off sign-on bonus Deferred Cash	 (Restricted)Phantom Share Units	Total
Current and former Statutory Board	147,909	70,000	175,000	8,032,537
Current and former Executive Board, not Statutory Board	126,155	-	-	2,352,857
Total Executive Committee	**274,064**	**70,000**	**175,000**	**10,385,394**

Under IFRS, certain components of variable remuneration are not recognised in the income statement directly, but are allocated over the vesting period of the award.

Remuneration of the Supervisory Board members

The remuneration of the Supervisory Board members consists of annual fixed fees and committee fees. The total remuneration of Supervisory Board members increased to EUR 1.2 million in 2024 (2023: EUR 1.1 million). There were eight meetings in 2024, which is in line with prior year.

As at 31 December 2024 and 31 December 2023, no loans, advance payments or guarantees had been provided by the company to Supervisory Board members. The terms and conitions relating to Deposits from customers outstanding from Supervisory Board members are at an arm's lenghts basis.

(Restricted) Phantom Share Units

PHANTOM SHARE UNITS

Since 2010, an equity-linked reward instrument is part of the Short-Term Incentive (STI) plan. The short-term compensation in share-related awards consists of PSUs and/or RPSUs. RPSU awards are subject to a four-year vesting with one fourth vesting each year on 1 April. All PSUs and RPSUs are subject to a one-year retention period as measured from the date of vesting. For the Statutory Board the lock-up period of the equity-linked instruments is five years. RPSUs are not eligible for dividend. This short-term compensation can be converted into cash immediately after the retention period and therefore is recognised as cash-settled.

Holdings of NIBC Choice instruments of current and former ExCo-members at 31 December 2024

	Number of phantom share units[1]	Number of restricted phantom share units[1]
Current and former Statutory Board	298,888	51,635
Current and former Executive Board, not Statutory Board	6,634	9,134
Total Executive Committee	**305,522**	**60,769**

1 Including the number of (restricted) phantom share units that has been granted under the one-off retention package on 30 December 2021.

Holdings of NIBC Choice instruments of current and former ExCo-members at 31 December 2023

	Number of phantom share units[1]	Number of restricted phantom share units[1]
Current and former Statutory Board	277,171	98,050
Current and former Executive Board, not Statutory Board	8,680	15,768
Total Executive Committee	**285,851**	**113,818**

1 Including the number of (restricted) phantom share units that has been granted under the one-off retention package on 30 December 2021.

The outstanding number of PSUs and RPSUs with the NIBC Holding N.V. shares as underlying will be converted in PSUs and RPSUs with NIBC Bank N.V. shares as underlying as a consequence of the legal merger between NIBC Holding N.V. (the disappearing company) and NIBC Bank N.V. (the acquiring company) that became effective on 1 January 2025. The conversion has no impact on the value of the PSUs and RPSUs.

The Group has not granted any loans, guarantees or advances to members of the Managing Board. ExCo members and other selected senior staff who participate in the MIP (details provided in the Management Investment Plan section below). The terms and conditions relating to Deposits from customers outstanding from members of the ExCo are at an arm's length basis.

MANAGEMENT INVESTMENT PLAN

Selected members of NIBC management, consisting of the Managing Board, ExCo members and other selected senior staff, (the participants) have been provided with an opportunity in 2021 and 2023 to make an indirect investment with own funds in NIBC Holding N.V. through a Management Investment Plan (**MIP**). To facilitate the allocation of the MIP investment to individual employees, the investment in the MIP is held indirectly via a management holding company ('ManCo'). ManCo issues shares to a specially incorporated foundation (Stichting Administratiekantoor Management NIBC) that issues depositary receipts to each participant as evidence of the investment. These depositary receipts entitle a participant to the full economic benefit of the underlying shares held by ManCo in an indirect parent company of NIBC Holding N.V.. The ability of a participant to dispose of the share investment is linked to the Blackstone Group's exit. Typically, a participant will be able to sell a proportion of the investment equal to the proportion sold at exit. Furthermore, there are specific provisions governing an exit through an IPO where the ability to dispose of shares may be restricted by customary lock-up periods. ManCo is capitalised with ordinary B shares. The company or another Group entity will under no circumstances be required to settle in cash. Accordingly, there is no impact on the Group's results or its financial position from the MIP.

Since the introduction of the plan, newly appointed members of the Managing Board have been invited to also participate in the MIP. As from the date of joining the Managing Board, its members are considered to be a related party to the company.

When Flora Holding III Limited exits its investment in NIBC Bank N.V. (NIBC Holding N.V. does not exist anymore as a consequence of the legal merger effective on 1 January 2025), the ordinary B shares held by the participants in the MIP will share in the excess return above a certain threshold according to a predefined formula.

The difference between the compensation awarded to the Statutory Board over the year 2024, as disclosed in this table, and the remuneration expenses of the Statutory Board as reported in note 8 mainly relates to the severance payment to the CRO, which will be payable at the end of his employment, i.e. on 30 June 2025. This amount has been included in the 2024 personnel expenses, as agreement was reached in 2024.

The movements in the number of ordinary B shares that the participants have indirectly acquired under the MIP are as follows:

Number of ordinary B shares acquired under the Management Investment Plan

Changes in ordinary B shares[1]		
Balance at 31 December 2023 and 2022	**59,620,000**	**66,000,000**
Issued	-	1,760,000
(Re)purchased	-	(8,140,000)
Balance at 31 December 2024 and 2023	**59,620,000**	**59,620,000**

1 Preference B shares are not entitled to dividend.

In total, the participants have indirectly invested an amount of EUR 1.2 million via ManCo in NIBC Holding N.V. The current and former members of the Statutory Board has made a total cash investment of EUR 0.9 million.

CDR HOLDINGS OF EXCO-MEMBERS IN ORDINARY A2 SHARES FLORA HOLDINGS III LIMITED

Due to regulatory restrictions the 470,488 NIBC shares (consisting of 376.355 CDR's related to the one off retention package concerning the IPO of NIBC Holding N.V. on 23 March 2018 and of 94,133 CDR's related to investments with own funds) held by ExCo members related to CDRs held by ExCo members were exchanged by Stichting Administratiekantoor NIBC Holding N.V. like for like into 3.002.444 and 750.964 ordinary A2 shares of Flora Holdings III Limited in January 2021.

The movements in the number of CDRs related to ordinary A2 shares Flora Holdings III Ltd. held by ExCo-members is as follows:

Number of CDRs related to ordinary A2 shares Flora Holdings III Limited

	2024	2023
Changes in CDRs		
Balance at 1 January[1]	**3,120,174**	**3,670,716**
New investments in CDRs of ordinary A2 shares Flora Holdings III Limited	-	186,247
Repurchased CDRs of ordinary A2 shares Flora Holdings III Limited	(390,875)	(736,789)
Balance at 31 December	**2,729,299**	**3,120,174**
Breakdown		
Current and former Statutory Board	2,039,791	2,294,479
Current and former Executive Board, not Statutory Board	689,508	825,695
Total Executive Committee	**2,729,299**	**3,120,174**

1 Ordinary A2 shares are vested and consequently entitled to dividend.

The fair value used for the conversion of CDRs with ordinary shares NIBC Holding N.V. as underlying into CDRs with ordinary A2 shares of Flora Holdings III Limited as underlying is equal to the share-price paid by Flora Acquisition B.V. at transaction date 30 December 2020. Prior to the transaction the fair value of CDRs with ordinary shares NIBC Holding N.V. as underlying was equal to the listed share price of NIBC Holding N.V. The fair value per share NIBC Holding N.V. at 31 December 2020 was EUR 7.00.

44 PRINCIPAL SUBSIDIARIES AND ASSOCIATES

Accounting policy for subsidiaries and associates

SUBSIDAIRIES

NIBC'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.

ASSOCIATES

Refer to note 22 Equity investmens (including investments in associates) .

Critical accounting estimates and judgements

Determining whether NIBC has control of an entity is generally straightforward, based on ownership of the majority of the voting rights. However, in certain instances this determination will involve significant judgement, particularly in the case of SEs where voting rights are often not the determining factor in decisions over the relevant activities. This judgement may involve assessing the purpose and design of the entity. It will also often be necessary to consider whether NIBC, or another involved party with power over the relevant activities, is acting as a principal in its own right or as an agent on behalf of others.

There is also often considerable judgement involved in the ongoing assessment of control over SEs. In this regard, where market conditions have deteriorated such that the other investors' exposures to the structure's variable returns have been substantively eliminated, NIBC may conclude that the managers of the SE are acting as its agent and therefore NIBC will consolidate the SE.

An interest in equity voting rights exceeding 50% (or in certain circumstances large minority shareholding) would typically indicate that NIBC has control of an entity. However certain entities are excluded from consolidation because NIBC does not have exposure to their variable returns and/or are managed by external parties and consequently are not controlled by NIBC. Where appropriate, interests relating to these entities are included in note 45 Structured entities.

Information on principal subsidiaries

COMPOSITION OF NIBC

NIBC consists of 45 (2023: 54) consolidated entities, including 10 (2023: 12) consolidated SEs (for further details see note 45 Structured entities). 34 (2023: 42) of the entities controlled by NIBC are directly or indirectly held by NIBC at 100% of the ownership interests (share of capital). Third parties also hold ownership interests in 11 (2023: 12) of the consolidated entities (non-controlling interests).

PRINCIPAL SUBSIDIARIES

NIBC's principal subsidiaries are set out in the following table. This includes those subsidiaries that are most significant in the context of NIBC's business, results or financial position.

	Principal place of business	Country	Nature of company	Percentage of voting rights held
Subsidiaries of NIBC Holding N.V.				
NIBC Investment Management N.V.	**The Hague**	**Netherlands**	**Financing**	**100%**
NIBC Investments N.V.	**The Hague**	**Netherlands**	**Financing**	**100%**
NIBC Bank N.V.	**The Hague**	**Netherlands**	**Banking**	**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%

SIGNIFICANT RESTRICTIONS TO ACCESS OR USE NIBC'S ASSETS

Legal, contractual or regulatory requirements as well as protective rights of non-controlling interests might restrict the ability of NIBC to access and transfer assets freely to or from other entities within NIBC and to settle liabilities of NIBC.

Since NIBC did not have any material non-controlling interests at the reporting date, any protective rights associated with these did not give rise to significant restrictions.

Restrictions impacting NIBC's ability to use assets:

- NIBC has pledged assets to collateralise its obligations under repurchase agreements, securities financing transactions, collateralised loan obligations and for margining purposes of OTC derivative liabilities;
- The assets of consolidated SEs are held for the benefit of the parties that have bought the notes issued by these entities;
- Regulatory and central bank requirements or local corporate legislation may restrict NIBC's ability to transfer assets to or from other entities within NIBC in certain jurisdictions.

Carrying amounts of restricted assets

	At 31 December 2024		At 31 December 2023	
in EUR millions	Assets	Restricted assets	Assets	Restricted assets
Cash and balances with central banks	3,096	186	1,994	176
Due from other banks	598	495	551	461
Debt investments at fair value through other comprehensive income	1,174	-	897	-
Debt investments at fair value through profit or loss	11	-	11	-
Mortgages loans	13,622	6,294	12,911	6,801
Corporate loans at amortised cost	4,096	484	4,889	485
Loans at fair value through profit or loss	96	-	153	-
Lease receivables	1	-	1,281	-
Equity investments (including Investments in associates)	115	75	124	87
	22,809	**7,534**	**22,811**	**8,010**

The previous table excludes assets which are solely subject to restrictions in terms of their transferability within NIBC, caused by e.g. local lending requirements or similar regulatory restrictions. Regulatory minimum liquidity requirements are also excluded from the table. NIBC identifies the volume of liquidity reserves in excess of local stress liquidity outflows. The aggregate amount of such liquidity reserves that are considered restricted for this purpose is EUR 186 million and EUR 176 million as per 31 December 2024 and 2023, respectively.

A list of participating interests and companies for which a statement of liability have been issued has been filed at the Chamber of Commerce in The Hague.

Information on associates

NIBC holds interests in 16 (2023: 24) associates. Three associates are considered to be material to NIBC, based on the carrying value of the investment and NIBC's income from these investees. There are no joint arrangements which are considered individually significant.

Accounting classification and carrying value

in EUR millions	2024	2023
Investments in associates (FVtPL)	33	37
Investments in associates and joint ventures (equity method)	3	6
	36	**43**

ASSOCIATES MATERIAL TO NIBC

The following tables present the summarised financial information of NIBC's investments in associates with a material carrying value.

	Principal place of business	Country	Nature of company	Percentage of voting rights held
Name of the associate				
Outward VC Fund LLP	London	United Kingdom	Technology	21%
Cooperatie Rotterdam Port Fund UA	Rotterdam	Netherlands	Shipping	45%
NIBC Growth Capital Fund II C.V.	Amsterdam	Netherlands	Various SME	11%

The amounts shown in the following table are of the investees, not just NIBC's share for the year ended 31 December 2024.

in EUR millions	Assets	Liabilities	Operating income	Other comprehensive income	Total comprehensive income[1]
Outward VC Fund LLP	56	3	(8)	-	**(8)**
Cooperatie Rotterdam Port Fund UA	37	0	(0)	-	**(0)**
NIBC Growth Capital Fund II C.V.	44	0	6	-	**6**

1 The figures are based on the latest available financial information of the investee.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (EQUITY METHOD)

The total profit or loss from continuing operations of associates in which NIBC holds an investment amounts to EUR 3 million (2023: EUR 6 million). Refer to note 22 Equity

investments (including investments in associates) for the carrying amounts on NIBC's consolidated statement of financial position and note 4 Investment income for the aggregated amount of NIBC's share of profit/(loss) from continuing operations.

Unrecognised share of the losses of individually immaterial associates was nil in 2024 and 2023.

Other information on associates

NIBC's associates are subject to statutory requirements such that they cannot make remittances of dividends or make loan repayments to NIBC without agreement from the external parties.

NIBC's share of contingent liabilities or capital commitments of its associates and joint ventures was EUR 2 million as per 31 December 2024 (2023: EUR 5 million).

45 STRUCTURED ENTITIES

Accounting policy for structured entities

A *structured entity* (**SE**) is an entity in which voting or similar rights are not the dominant factor in deciding control. SEs are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

The principal use of SEs is to provide clients with access to specific portfolios of assets and to provide market liquidity for clients through securitising financial assets. SEs may be established as corporations, trusts or partnerships. SEs generally finance the purchase of assets by issuing notes that are collateralised by and/or indexed to the assets held by the SEs. The notes issued by SEs may include tranches with varying levels of subordination.

SEs are consolidated when the substance of the relationship between NIBC and the SEs indicate that the SEs are controlled by NIBC, as discussed in the accounting policies and critical accounting estimates and judgements of note 44 Principal subsidiaries and associates. In other cases it may sponsor or have exposure to such an entity but not consolidate it.

Consolidated structured entities

NATURE, PURPOSE AND EXTENT OF NIBC'S INTERESTS IN CONSOLIDATED STRUCTURED ENTITIES

Securitisation vehicles

NIBC primarily has contractual arrangements for securitisation vehicles which may require it to provide financial support. NIBC uses securitisation as a source of financing and a means of risk transfer. At 31 December 2024, there were no significant outstanding loan commitments to these entities (2023: no commitments).

NIBC has not provided any non-contractual financial support during 2024 and 2023 and does not anticipate providing non-contractual support to consolidated SEs in the future.

Unconsolidated structured entities

NATURE, PURPOSE AND EXTENT OF NIBC'S INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The SEs covered by this section are not consolidated since NIBC does not has control them through voting rights, contract, funding agreements and/or other means. The extent of NIBC's interests in unconsolidated SEs will vary depending on the type of SE. Examples of interests in unconsolidated SEs include debt or equity investments, liquidity facilities and guarantees in which NIBC is absorbing variability of returns from the SEs.

Securitisation vehicles

NIBC establishes securitisation vehicles which purchase diversified pools of assets, including fixed-income securities, corporate loans, and asset-based securities (predominantly commercial, residential and mortgage-backed assets). The securitisation vehicles fund these purchases by issuing multiple tranches of notes.

Third-party fund entities

NIBC provides funding to SEs that hold a variety of assets. These entities may take the form of funding entities, trusts and private investment companies. The funding is collateralised by the asset in the SEs. NIBC's involvement involves predominantly equity investments.

Income derived from involvement with unconsolidated structured entities
NIBC earns management fees and, occasionally, performance-based fees for its investment management services in relation to funds. Interest income is recognised on the funding provided to SEs. Movements in the value of different types of notes held by NIBC in SEs are recognised in net trading income.

Maximum exposure to unconsolidated structured entities
The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated SE. The maximum exposure for loans and trading instruments is reflected in their carrying amounts in the consolidated statement of financial position. The maximum exposure for off-balance sheet instruments such as guarantees, liquidity facilities and loan commitments under IFRS 12, as interpreted by NIBC, is reflected by the notional amounts. Such amounts do not reflect the economic risks faced by NIBC because they do not take into account the effects of collateral or hedges nor the probability of such losses being incurred.

At 31 December 2024 off-balance sheet instruments amount to EUR 4 million (2023: EUR 7 million). There were no derivatives linked to structured unconsolidated entities.

SIZE OF STRUCTURED ENTITIES

NIBC provides a different measure for the size of SEs depending on their type. The following measures have been considered as appropriate indicators for evaluating the size of SEs:

- Securitisations – notional of notes in issue when NIBC derives its interests through notes its holds and notional of derivatives when NIBC's interests is in the form of derivatives;
- Third party fund entities – total assets in entities. For third party fund entities, size information is based on the latest available investor reports and financial statements.

SUMMARY OF INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The following table shows, by type of unconsolidated SE, the carrying amounts of NIBC's interests recognised in the consolidated statement of financial position as well as the maximum exposure to loss resulting from these interests. It also provides an indication of the size of the SEs.

in EUR millions	Securitisations	Third party fund entities	2024
Financial assets at fair value through other comprehensive income			
Debt investments	40	-	**40**
Financial assets at fair value through profit or loss (including trading)			
Equity investments (including investments in associates)	-	80	**80**
Total assets	**40**	**80**	**120**
Off-balance sheet exposure	-	4	**4**
Total maximum exposure to loss	**40**	**84**	**124**
Size of structured entities	2,214	32,702	**34,916**

in EUR millions	Securitisations	Third party fund entities	2023
Financial assets at fair value through other comprehensive income			
Debt investments	20	-	**20**
Financial assets at fair value through profit or loss (including trading)			
Equity investments (including investments in associates)	-	89	**89**
Total assets	**20**	**89**	**109**
Off-balance sheet exposure	-	7	**7**
Total maximum exposure to loss	**20**	**96**	**116**
Size of structured entities	1,058	31,242	32,300

As per year-end 2024, NIBC had no loans (2023: nil) consisting of investments in securisation tranches and loans to third-party funds.

No debt investments are collateralised by the assets contained in these entities.

Equity investments of EUR 84 million (2023: EUR 96 million) primarily consist of investments of EUR 37 million, EUR 16 million and EUR 14 million in JCF IV

Coinvest Neptun I L.P.,Cooperatie Rotterdam Port Fund UA. and Outward VC Fund L.P. respectively.

EXPOSURE TO LOSSES

NIBC's exposure to losses related to securitisations depends on the level of subordination of the interest which indicates the extent to which other parties are obliged to absorb credit losses before NIBC. This is summarised in the following table. There is no significant level of subordination relating to third-party funding.

in EUR millions	Subordinated interests	Mezzanine interests	Senior interests	Most senior interests	2024
Securitisations					
I) Maximum exposure to loss	-	-	-	40	**40**
II) Potential losses held by other investors	-	19	195	1,960	**2,174**

in EUR millions	Subordinated interests	Mezzanine interests	Senior interests	Most senior interests	2023
Securitisations					
I) Maximum exposure to loss	-	-	-	20	20
II) Potential losses held by other investors	-	19	39	980	1,038

INCOME FROM INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

The following table presents NIBC's total income received from its interests in unconsolidated SEs:

in EUR millions	Securitisations	Third party entities	2024
Net income unconsolidated structured entities			
Net interest income	1	-	**1**
Investment income	-	(4)	**(4)**
	1	**(4)**	**(2)**

in EUR millions	Securitisations	Third party entities	2023
Net income unconsolidated structured entities			
Net interest income	1	-	1
Investment income	-	(0)	(0)
	1	**(0)**	1

FINANCIAL SUPPORT PROVIDED OR TO BE PROVIDED TO UNCONSOLIDATED STRUCTURED ENTITIES

NIBC has not provided any non-contractual financial support during the period and does not intend to provide non-contractual support to unconsolidated SEs in the future.

SPONSORED UNCONSOLIDATED STRUCTURED ENTITIES

As a sponsor, NIBC is involved in the legal structure and marketing of the entity and supports the entity in different ways, namely:

- transferring assets to the entities;
- providing operational support to ensure the entity's continued operation.

NIBC is also deemed a sponsor for a SE if market participants would reasonably associate the entity with NIBC. Additionally, the use of the NIBC name for the SE indicates that NIBC has acted as a sponsor.

ASSETS TRANSFERRED TO UNCONSOLIDATED SPONSORED STRUCTURED ENTITIES

The carrying amounts of assets transferred to sponsored unconsolidated SEs during the period were nil.

Company Financial Statements

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Small differences are possible due to rounding

Company income statement

for the years ended 31 December

in EUR millions	note	2024	2023
Interest and similar income	1	31	27
Interest expense and similar charges	1	27	24
Net interest income		**3**	**4**
Income from interests in group companies	2	211	214
Income from group companies and (other) equity investments		**211**	**214**
Results from financial transactions		0	(0)
Total operating income		**215**	**218**
Other operating expenses	3	-	2
Total operating expenses		**-**	**2**
Gains or (losses) on disposal of assets		6	-
Profit from ordinary operations before tax		**209**	**216**
Income tax	4	1	(0)
Profit after tax		**208**	**216**

Company balance sheet before profit appropriation

as at 31 December

in EUR millions	note	2024	2023
Assets			
Loans and advances to group companies	5	-	940
Interests in group companies	6	1,788	1,844
Due from other banks		36	72
Other assets	7	-	8
Total assets		**1,824**	**2,863**

in EUR millions	note	2024	2023
Liabilities			
Due to group companies	8	2	885
Other liabilities	9	19	27
Total liabilities		**21**	**911**
Equity	10		
Share capital		3	3
Share premium		1,287	1,287
Revaluation reserves		12	10
Own credit risk reserve		(0)	25
Retained profit		501	626
Equity attributable to the parent company		**1,803**	**1,952**
Total liabilities and equity		**1,824**	**2,863**

Company statement of changes in equity

in EUR millions	note	Attributable to Share capital	Share premium	Reserves	Retained profit	Equity of the company
Balance at 1 January 2024		**3**	**1,287**	**35**	**626**	**1,952**
Profit for the year 2024		-	-	-	199	199
Other comprehensive income for the year ended 31 December 2024		-	-	(24)	-	(24)
Transfer of realised depreciation revalued property and equipment	34	-	-	-	0	0
Additions		-	-	-	-	-
Redemptions		-	-	-	-	-
Other		-	-	-	0	0
Distributions						
Cost of capital securities		-	-	-	(2)	(2)
Paid coupon on capital securities	35	-	-	-	-	-
Dividend paid during the year		-	-	-	(322)	(322)
Balance at 31 December 2024		**3**	**1,287**	**11**	**501**	**1,803**

in EUR millions	note	Attributable to Share capital	Share premium	Reserves	Retained profit	Equity of the company
Balance at 1 January 2023		**3**	**1,287**	**116**	**557**	**1,964**
Profit for the year 2023		-	-	-	204	204
Other comprehensive income for the year ended 31 December 2023		-	-	(81)	-	(81)
Transfer of realised depreciation revalued property and equipment	34	-	-	-	0	0
Other		-	-	-	0	0
Distributions						
Paid coupon on capital securities	35	-	-	-	-	-
Dividend paid during the year		-	-	-	(136)	(136)
Balance at 31 December 2023		**3**	**1,287**	**35**	**626**	**1,952**

Company accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of the company financial statements are set out in the consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

The company financial statements have been prepared in accordance with the legal requirements for financial statements contained in Title 9 of Book 2 of the Netherlands Civil Code. NIBC applies the provisions in Section 362, paragraph 8, Title 9 of Book 2 of the Netherlands Civil Code that make it possible to prepare the company financial statements in accordance with the accounting policies (including those for the presentation of financial instruments as equity or liability) used in its consolidated financial statements.

On 1 January 2025 a legal merger has been effectuated between NIBC Holding N.V. (disappearing entity) and NIBC Bank N.V. (surviving entity). Consequently, NIBC Holding N.V., a public limited liability company, incorporated under Dutch law and registered at Carnegieplein 4, 2517 KJ The Hague, the Netherlands (Chamber of Commerce number 27282935) ceased to exist. As a result, the activities of NIBC Holding N.V. have been integrated and continued in NIBC Bank N.V. Shareholders of NIBC Holding N.V. became shareholders of NIBC Bank N.V.

The euro is the functional and presentation currency of NIBC.

Summary of material accounting policies

Except as set forth below, the accounting policies applied in the company financial statements are the same as those for the consolidated financial statements.

Interests in group companies

Interest in group companies, as defined in the basis of consolidation in the accounting policies section of the consolidated financial statements, are measured at net asset value. Net asset value is determined by measuring the assets, provisions, liabilities and income based on the accounting policies used in the consolidated financial statements. The company's share of its group companies profits or losses is recognised in the income statement.

If losses of group companies that are attributable to the company exceed the carrying amount of the interest in the group company (including separately presented goodwill, if any, and including other unsecured receivables), further losses are not recognised unless the company has incurred obligations or made payments on behalf of the group company to satisfy obligations of the group company. In such a situation, NIBC recognises a provision up to the extent of its obligation.

Notes to the company financial statements

For a specification of the segment information, please see note 1 Segment report of the consolidated financial statements.

1 NET INTEREST INCOME

in EUR millions	2024	2023
Interest and similar income	31	27
Interest expense and similar charges	27	24
	3	**4**

2 INCOME FROM INTERESTS IN GROUP COMPANIES

in EUR millions	2024	2023
Income from interests in group companies	211	214
	211	**214**

3 OTHER OPERATING EXPENSES

in EUR millions	2024	2023
Other operating expenses	-	2
	-	**2**

4 INCOME TAX

in EUR millions	2024	2023
Current tax	1	(0)
	1	**(0)**

5 LOANS AND ADVANCES TO GROUP COMPANIES

in EUR millions	2024	2023
Loans and advances to group companies	-	940
	-	**940**

Due to the sale of Beequip B.V. the intercompany loans including accrued interest were repaid on 27 November 2024.

6 INTERESTS IN GROUP COMPANIES

in EUR millions	2024	2023
Interests in group companies	1,788	1,844
	1,788	**1,844**
The movement in investments in group companies		
Balance at 1 January	**1,844**	**1,922**
Movement in revaluation and hedging reserve	(25)	(81)
Dividends paid	(243)	(197)
Income from interests in group companies	211	214
Other movements	-	(13)
Balance at 31 December	**1,788**	**1,844**

List of principal subsidiaries of NIBC Holding N.V. at 31 December 2024

List of principal subsidiaries of NIBC Holding N.V. at 31 December 2024	Percentage of voting rights held
NIBC Bank N.V.	100%
NIBC Investments Management N.V.	100%
NIBC Investments N.V.	100%

The decrease of interests in group companies is due to the upstreaming of capital to NIBC Holding N.V.

7 OTHER ASSETS

in EUR millions	2024	2023
Other assets	-	6
Current tax assets	-	-
Deferred tax assets	-	1
	-	**8**

The effective tax rate in the Netherlands for measuring deferred tax on 31 December 2024 is 25.8% (2023: 25.8%).

8 DUE TO GROUP COMPANIES

in EUR millions	2024	2023
NIBC Bank N.V.	2	885
	2	**885**
The legal maturity analysis of due to group companies is as follows		
Three months or less	2	885
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	-	-
Longer than five years	-	-
	2	**885**

The majority of the intercompany loans have been repaid as a consequence of the sale of Beequip B.V. on 27 November 2024.

9 OTHER LIABILITIES

in EUR millions	2024	2023
Other liabilities	0	5
Current tax liabilities	19	21
Deferred tax liabilities	-	-
	19	**27**

10 EQUITY

SHARE CAPITAL

Flora Holdings III Limited is the legal holder of 100% in the ordinary shares of NIBC Holding N.V. at 31 December 2024. NIBC's issued ordinary share capital is fully paid-up.

ISSUE COSTS OF SHARES

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

SHARE PREMIUM

This reserve comprises the difference between the par value of NIBC shares and the total amount received for issued shares. The share premium reserve is credited for equity-related expenses and is also used for issued shares.

REVALUATION RESERVES

- Revaluation reserve - hedging revaluation containing the portion of the gains or losses on hedging instruments in a cash flow hedge that is determined to be an effective hedge (net of tax);
- Revaluation reserve - debt investments containing changes in fair value of debt investments at FVOCI (net of tax);
- Revaluation reserve - property containing changes in fair value of land and buildings (net of tax).

Own credit risk reserve includes the cumulative changes in the fair value of the financial liabilities designated at FVtPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss (net of tax).

RETAINED EARNINGS INCLUDING PROFIT AFTER TAX FOR THE YEAR

Retained earnings reflect accumulated earnings less declared dividends and paid dividends to shareholders and transfers from share premium.

DIVIDEND RESTRICTIONS

NIBC and its Dutch group companies are subject to legal restrictions regarding the amount of dividends they can pay to their shareholders. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to the excess of the company's own funds over the sum of the paid-up capital, and reserves required by law. Additionally, certain Bank companies are subject to restrictions on the amount of funds they may transfer in the form of dividend or otherwise to the parent company.

in EUR millions	2024	2023
Equity attributable to the shareholder		
Share capital	3	3
Share premium	1,287	1,287
Revaluation reserves		
Revaluation reserve - hedging instruments	0	1
Revaluation reserve - debt investments	(4)	(6)
Revaluation reserve - property	16	15
Own credit risk reserve	(0)	25
Retained profit	501	626
	1,803	**1,952**

	2024	2023	2024	2023
	Numbers x 1,000		in EUR millions	
Ordinary shares (with par value of EUR 0.02)	350,000	350,000	7	7
Preference shares (with par value of EUR 0.02)	350,000	350,000	7	7
	700,000	**700,000**	**14**	**14**
Not issued share capital (ordinary and preference shares)	553,512	553,512	11	11
Issued share capital (ordinary shares)	**146,488**	**146,488**	**3**	**3**

The decrease of retained profit is a result of an additional dividend payment to an amount of EUR 116 million in August 2024 following a significant reduction of risk weighted assets through the sale of the Shipping portfolio.

Changes in share premium and reserves 2024

		Revaluation reserves				
in EUR millions	Share premium	Hedging instruments	Debt investments	Property in own use	Own credit risk reserve	Total
Balance at 1 January 2024	**1,287**	**1**	**(6)**	**15**	**25**	**1,322**
Net result on hedging instruments	-	(0)	-	-	-	(0)
Revaluation/remeasurement (net of tax)	-	-	1	1	(26)	(23)
Total recognised directly through other comprehensive income in equity during the year	**-**	**(0)**	**1**	**1**	**(26)**	**(24)**
Balance at 31 December 2024	**1,287**	**0**	**(4)**	**16**	**(0)**	**1,299**

Changes in share premium and reserves 2023

		Revaluation reserves				
in EUR millions	Share premium	Hedging instruments	Debt investments	Property in own use	Own credit risk reserve	Total
Balance at 1 January 2023	**1,287**	**3**	**(11)**	**14**	**110**	**1,404**
Net result on hedging instruments	-	(2)	-	-	-	(2)
Revaluation/remeasurement (net of tax)	-		5	0	(84)	(79)
Total recognised directly through other comprehensive income in equity during the year	**-**	**(2)**	**5**	**0**	**(84)**	**(81)**
Balance at 31 December 2023	**1,287**	**1**	**(6)**	**15**	**25**	**1,322**

Information on NIBC's solvency ratios is included in the risk management section of this Annual Report.

LEGAL RESERVES

The legal reserves relate to unrealised fair value changes of property in own use at 31 December 2024.

Available distributable amount as at 31 December (subject to DNB approval)

in EUR millions	2024	2023
Equity attributable to the shareholders	1,803	1,952
Share capital	(3)	(3)
Legal reserves		
Within retained earnings	(1)	(6)
Revaluation reserves	(16)	(15)
Total legal reserves	**(17)**	**(22)**
Total available distributable amount	**1,783**	**1,927**

11 REMUNERATION OF THE STATUTORY BOARD AND SUPERVISORY BOARD

For the remuneration of the Statutory Board and Supervisory Board see note 8 Personnel expenses and share-based payments and note 43 Related party transactions of the consolidated financial statements.

12 RELATED PARTIES

Details of related party transactions can be found in note 43 Related party transactions of the consolidated financial statements.

For services provided to NIBC Bank N.V. income earned in the years 2024 and 2023 amounted to nil.

13 EMPLOYEE INFORMATION

During the year 2024, the average number of employees calculated on a full time equivalent basis was nil (2023: nil).

14 COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

No guarantees within the meaning of Section 403 Book 2 of the Dutch Civil Code had been given on behalf of NIBC Holding N.V. to third parties.

15 PROFIT APPROPRIATION

in EUR millions	2024
Result available for distribution	208
	208
Final and interim dividend	199
Holders of capital securities	9
Transferred to retained earnings	-
	208

16 SUBSEQUENT EVENTS

As a consequence of the effectuation of a legal merger between NIBC Bank N.V. and NIBC Holding N.V., NIBC Holding N.V. ceased to exist on 1 January 2025. The former business activities of NIBC Holding N.V. are part of NIBC Bank N.V. as of 1 January 2025.

The applicable governance relating to the latest Annual Report 2024 of NIBC Holding N.V., including the profit appropriation over the financial year ended 31 December 2024, has been taken over by NIBC Bank N.V.

INTERCOMPANY GUARANTEES

The intercompany guarantees within the meaning of Section 403 Book 2 of the Dutch Civil Code given on behalf of NIBC Holding N.V. were renewed in the beginning of 2025.

Other information and appendices

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Independent auditor's report

To: the shareholder and supervisory board of NIBC Bank N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements 2024 of NIBC Holding N.V., based in The Hague, the Netherlands.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the financial position of NIBC Holding N.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The company financial statements give a true and fair view of the financial position of NIBC Holding N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2024
- The following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2024
- The company profit and loss account for 2024
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of NIBC Holding N.V. (hereinafter: the company or the group) in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands.

Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for professional accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and managing board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.
We refer to the Risk Management section, specifically Non-financial risk, of the report of the managing board for the managing board's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organizations. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed under the heading Critical accounting estimates and judgements in section Accounting policies to the consolidated financial statements.
We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We identified that changes in fair value relating to equity investments in particular gives rise to such risks. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

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We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance, risk management and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations
We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the managing board, inspection of the systematic integrity risk analysis (SIRA), reading minutes, inspection of internal audit and compliance reports and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern
As disclosed in section Basis of preparation in the Accounting Policies to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the managing board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the managing board exercising professional judgment and maintaining professional skepticism. We considered whether the managing board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern, also focusing on whether the group will continue to meet the regulatory capital and liquidity requirements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern.
Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

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Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report (excluding the sustainability statement) and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The managing board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of the managing board and the supervisory board for the financial statements

The managing board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing board is responsible for such internal control as the managing board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the managing board should prepare the financial statements using the going concern basis of accounting unless the managing board either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. The managing board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

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Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.
The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision, review and evaluation of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

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Communication
We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 6 March 2025

EY Accountants B.V.

signed by R. Koekkoek

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Limited assurance report of the independent auditor on the sustainability statement

To: the shareholder and supervisory board of NIBC Bank N.V.

Our conclusion

We have performed a limited assurance engagement on the consolidated sustainability statement for 2024 of NIBC Holding N.V. based in The Hague (hereinafter: the company) in section Sustainability Statement of the accompanying Annual Report 2024 including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:
- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and compliant with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Our conclusion has been formed on the basis of the matters outlined in this limited assurance report.

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, "Assurance-opdrachten inzake duurzaamheidsverslaggeving" (Assurance engagements relating to sustainability reporting), which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information".

Our assurance engagement was aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Our responsibilities in this regard are further described in the section Our responsibilities for the limited assurance engagement on the sustainability statement of our report.

We are independent of NIBC Holding N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement and we are not involved in the preparation of the sustainability statement, as doing so may compromise our independence. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code) as relevant to limited assurance engagements on sustainability statements of public interest entities in the European Union.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

The sustainability statement has been prepared in a context of new sustainability reporting standards, requiring entity-specific interpretations and addressing inherent measurement or evaluation uncertainties. In this context, we want to emphasize the following matters:

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section Sources of estimation and uncertainty in the sustainability statement that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.
The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section Materiality in the sustainability statement. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process requires the company to make key judgments and use thresholds and may also be impacted in time by sector-specific standards to be adopted. Therefore, the sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Comparative information not assured

Sustainability information for financial year 2023 included in the sustainability statement, has not been part of this limited assurance engagement. Consequently, we do not provide any assurance on the comparative information and thereto related disclosures in the sustainability statement for financial year 2023.

Our conclusion is not modified in respect of this matter.

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Limitation to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the management board describes the underlying assumptions and methods of producing the information, as well as other factors that provide evidence that it reflects the actual plans or decisions made by the company (actions). Forward-looking information relates to events and actions that have not yet occurred and may never occur. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. We do not provide assurance on the achievability of forward-looking information.
Our conclusion is not modified in respect of this matter.

Responsibilities of management board and the supervisory board for the sustainability statement

The management board is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the management board is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
The management board is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

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Our limited assurance engagement included amongst others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise (selected disclosures). Designing and performing further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by the management board appears consistent with the process carried out by the company
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the management board's estimates
- Analyzing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company and are consistent or coherent with the sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met, and whether the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented

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- Considering the overall presentation, structure and fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the evidence obtained, whether the sustainability statement as a whole, is free from material misstatements and prepared in accordance with the ESRS

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the assurance engagement and significant findings that we identify during our assurance engagement.

Amsterdam, 6 March 2025

EY Accountants B.V.

signed by R. Koekkoek

Profit appropriation

The provision and appropriation of the profit after tax is based upon the Articles of Association of 8 March 2021.

Distribution of profits pursuant to Article 34 and 35 of the Articles of Association shall be made following the adoption of the annual report, which shows that such distribution is allowed.

Alternative Performance Measures

NIBC uses, throughout its financial publications, *alternative performance measures* (**APMs**) in addition to the figures that are prepared in accordance with the IFRS, CRR and CRD IV. NIBC uses APMs to provide additional information to investors and to enhance the understanding of the results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS, CRR and CRD IV. All measures that are covered by IFRS, CRR and CRD IV are not considered to be APMs.

NIBC uses the following APMs:

- Dividend payout ratio, %
- Cost/income ratio, %
- Return on equity, %
- Return on Common Equity Tier 1 capital at 13%, %
- Return on assets, %
- Cost of risk (on average RWA), %
- Impairment ratio, %
- NPL ratio, %
- Impairment coverage ratio, %
- Loan-to-deposit ratio, %
- Net interest margin, %

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited. In accordance with the guidelines of the *European Securities and Markets Authority* (**ESMA**), the following information is given in regards to the above mentioned APMs:

1. Definition of the APM;
2. Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements.

NIBC's most recent financial publications at any time are available on our website.

DIVIDEND PAY-OUT RATIO

The dividend pay-out ratio is the fraction of net income for a period to be paid to NIBC's shareholders in dividends. It provides meaningful information on the portion of NIBC's profit that is distributed to its shareholders. The elements of the dividend pay-out ratio reconcile to the income statement of NIBC.

$$\textbf{Dividend pay-out ratio} = \frac{\textbf{Dividend pay-out}}{\textbf{Profit after tax}}$$

Dividend pay-out ratio	2024	2023	2022
Dividend pay-out 2024	54		
Profit after tax attributable to the shareholders 2024	199		
Dividend pay-out ratio 2024 (%)	***27***		
Dividend pay-out 2023		204	
Profit after tax attributable to the shareholders 2023		204	
Dividend pay-out ratio 2023 (%)		***100***	
Dividend pay-out 2022			116
Profit after tax attributable to the shareholders 2022			155
Dividend pay-out ratio 2022 (%)			***75***

COST/INCOME RATIO

The cost/income ratio displays operating expenses as a percentage of operating income. The concept provides meaningful information on NIBC's operating efficiency. Cost/income ratio is calculated as the ratio (i) operating expenses before non-recurring items and (ii) operating income before non-recurring items. The elements of the cost/income ratio reconcile to the income statement of NIBC.

$$\textbf{Cost/income ratio} = \frac{\textbf{Operating expenses}}{\textbf{Operating income}}$$

Cost/Income ratio	2024	2023	2022
Operating expenses 2024	231		
Operating income 2024	517		
Cost/income ratio 2024 (%)	**45**		
Operating expenses 2023		237	
Operating income 2023		545	
Cost/income ratio 2023 (%)		**44**	
Operating expenses 2022			247
Operating income 2022			473
Cost/income ratio 2022 (%)			**52**

RETURN ON EQUITY

Return on Equity (**ROE**) measures net profit in relation to the book value of shareholder's equity. It provides meaningful information on the performance of Issuer's business, as well as on NIBC's ability to generate income from the equity available to it. ROE is calculated as the ratio of (i) (annualised) net profit attributable to parent shareholder to (ii) the average of total equity end of the financial year and post proposed dividend total equity at start of the financial year. All elements of the ROE reconcile to NIBC's consolidated financial statement.

$$\textbf{Return on equity} = \frac{\textbf{Annualised profit after tax attributable to parent shareholder}}{\textbf{Average of total equity end of the financial year and post proposed dividend total equity at start of the financial year}}$$

Return on equity	2024	2023	2022
Net profit attributable to parent shareholder	199		
Post proposed dividend total shareholders equity at the start of financial year	1,799		
Total shareholders equity at the end of the financial year	1,803		
Average total shareholders equity	1,801		
Return on equity 2024 (%)	**11.0%**		
Net profit attributable to parent shareholder		204	
Post proposed dividend total shareholders equity at the start of financial year		1,879	
Total shareholders equity at the end of the financial year		1,952	
Average total shareholders equity		1,915	
Return on equity 2023 (%)		**10.7%**	
Net profit attributable to parent shareholder			155
Post proposed dividend total shareholders equity at the start of financial year			1,804
Total shareholders equity at the end of the financial year			1,964
Average total shareholders equity			1,884
Return on equity 2022 (%)			**8.2%**

RETURN ON CET 1 CAPITAL AT 13%

The return on Common Equity Tier 1 capital at 13% measures net profit in relation to the medium-term-objective of a minimum of 13% of Common Equity Tier 1 capital. It provides meaningful information on the performance of Issuer's business, as well as on NIBC's ability to generate income from the equity available to it. It is calculated as the ratio of (i) (annualised) net profit attributable to parent shareholder to (ii) the average Common Equity Tier 1 capital at 13%.

$$\textbf{Return on Common Equity Tier 1 capital at 13\%} = \frac{\textbf{Annualised net profit attributable to parent shareholder}}{\textbf{Average Common Equity Tier 1 capital at 13\%}}$$

Return on Common Equity Tier 1 capital at 13%	2024	2023	2022
Net profit attributable to parent shareholder	199		
Common Equity Tier 1 capital at 13% at start of the financial year	1,211		
Common Equity Tier 1 capital at 13% at end of the financial year	909		
Average Common Equity Tier 1 capital	1,060		
Return on Common Equity Tier 1 capital at 13% 2024 (%)	**18.7%**		
Net profit attributable to parent shareholder		204	
Common Equity Tier 1 capital at 13% at start of the financial year		1,240	
Common Equity Tier 1 capital at 13% at end of the financial year		1,211	

Return on Common Equity Tier 1 capital at 13%	2024	2023	2022
Average Common Equity Tier 1 capital		1,226	
Return on Common Equity Tier 1 capital at 13% 2023 (%)		**16.7%**	
Net profit attributable to parent shareholder			155
Common Equity Tier 1 capital at 13% at start of the financial year			1,336[1]
Common Equity Tier 1 capital at 13% at end of the financial year			1,240
Average Common Equity Tier 1 capital			1,288
Return on Common Equity Tier 1 capital at 13% 2022 (%)			**12.0%**

1 RWAs at the start of the year include an increase due to the implementation of the DNB mortgage floor and an increase for the BtL mortgage portfolio under the standardised approach.

RETURN ON ASSETS

Return on assets (**ROA**) measures the net profit in relation to the total outstanding assets as of the beginning of the financial year. It provides meaningful information on NIBC's ability to generate income from the available assets. ROA is calculated as the ratio of (i) (annualised) net profit attributable to parent shareholder to (ii) the average total assets of the financial year. All elements of the ROA reconcile to NIBC's consolidated financial statements.

$$\text{Return on assets} = \frac{\text{Annualised net profit attributable to parent shareholder}}{\text{Average total assets}}$$

Return on assets	2024	2023	2022
Net profit attributable to parent shareholder	199		
Total assets at the beginning of the financial year	23,177		
Total assets at the end of the financial year	22,951		
Average assets of the financial year	23,064		
Return on assets 2024 (%)	**0.86**		
Net profit attributable to parent shareholder		204	
Total assets at the beginning of the financial year		22,807	
Total assets at the end of the financial year		23,177	
Average assets of the financial year		22,992	
Return on assets 2023 (%)		**0.89**	
Net profit attributable to parent shareholder			155
Total assets at the beginning of the financial year			22,722
Total assets at the end of the financial year			22,807
Average assets of the financial year			22,765
Return on assets 2022 (%)			**0.68**

COST OF RISK (ON AVERAGE RWA)

The cost of risk compares the total credit losses included in the income statement to the total risk weighted assets. This measure provides meaningful information on the issuer's performance in managing credit losses. The cost of risk is calculated as the ratio of (i) the sum of (annualised) impairments and the credit losses on loans (as part of net trading income) and to (ii) the total RWAs averaged over the current and previous reporting period. With the exception of the credit losses on fair value loans, the elements of the cost of risk reconcile to our financial statements and regulatory reporting. The credit losses on the fair value loans are calculated in accordance with the applicable financial reporting framework and form part of the net trading income.

$$\text{Cost of Risk} = \frac{\text{Annualised impairments and the credit losses on fair value loans (as part of net trading income)}}{\text{Average risk weighted assets (Basel III regulations)}}$$

Cost of risk (on average RWA)	2024	2023	2022
Credit losses on AC loans	20		
Credit losses FVTPL loans	0		
Total credit losses	20		
Risk-weighted assets 2024	6,991		
Risk-weighted assets 2023	9,319		
Average risk-weighted assets 2024	8,155		
Cost of risk 2024 (%)	**0.25**		
Credit losses on AC loans		25	
Credit losses FVTPL loans		2	
Total credit losses		27	
Risk-weighted assets 2023		9,319	
Risk-weighted assets 2022		9,541	

Cost of risk (on average RWA)	2024	2023	2022
Average risk-weighted assets 2023		9,430	
Cost of risk 2023 (%)		**0.28**	
Credit losses on AC loans			20
Credit losses FVTPL loans			1
Total credit losses			22
Risk-weighted assets 2022			9,541
Risk-weighted assets 2021			8,918
Average risk-weighted assets 2022			9,229
Cost of risk 2022 (%)			**0.24**

IMPAIRMENT RATIO

The impairment ratio compares impairments included in the income statement on loans, lease receivables and mortgage loans to the carrying value of these loans. The measure provides meaningful information on NIBC's performance in managing credit losses arising from its business. The impairment ratio is calculated as the ratio of (i) the (annualised) impairment expenses to (ii) the average loans, lease receivables and mortgages loans. All elements of the impairment ratio reconcile to NIBC's income statement and the consolidated financial position.

$$\text{Impairment ratio} = \frac{\textbf{Annualised impairment expenses}}{\textbf{Average financial assets regarding loans, lease receivables and mortgage loans}}$$

Impairment ratio	2024	2023	2022
Credit losses on amortised cost loans, lease receivables and mortgage loans	20		
Average financial assets at amortised cost: loans and lease receivables	5,133		
Average financial assets at amortised cost: mortgage loans	13,267		
Average financial assets regarding loans, lease receivables and mortgage loans (total)	**18,400**		
Impairment ratio 2024 (%)	**0.11**		
Credit losses on amortised cost loans, lease receivables and mortgage loans		25	
Average financial assets at amortised cost: loans and lease receivables		6,141	
Average financial assets at amortised cost: mortgage loans		12,451	
Average financial assets regarding loans, lease receivables and mortgage loans (total)		**18,591**	
Impairment ratio 2023 (%)		**0.13**	
Credit losses on amortised cost loans, lease receivables and mortgage loans			**20**
Average financial assets at amortised cost: loans and lease receivables			6,209
Average financial assets at amortised cost: mortgage loans			11,965
Average financial assets regarding loans, lease receivables and mortgage loans (total)			**18,174**
Impairment ratio 2022 (%)			**0.11**

NON-PERFORMING LOANS RATIO

The non-performing loans (**NPL**) ratio compares the non-performing exposure (as defined by the European Banking Authority) of loans, lease receivables, and mortgage loans to the total exposure of these loans. The measure provides meaningful information on the credit quality of NIBC's assets. The ratio is calculated by dividing the total of non-performing exposure for both loans, lease receivables and mortgage loans by the total exposure for loans, lease receivables and mortgage loans. The elements of the NPL ratio reconcile to the consolidated financial statements and the regulatory reporting of NIBC.

$$\text{NPL ratio} = \frac{\textbf{Non performing exposure (loans, lease receivables and mortgage loans)}}{\textbf{Total exposure (loans, lease receivables and mortgage loans)}}$$

NPL ratio	2024	2023	2022
Non-performing exposure ABF and Non-core 2024	144		
Non-performing exposure Platforms 2024	0		
Non-performing exposure Mortgages 2024	125		
Non-performing exposure 2024	**268**		
Total Asset Based Finance and Non-core exposure 2024	5,007		
Total Platforms exposure 2024	0		
Total Mortgages exposure 2024	13,880		
Total exposure 2024	**18,887**		
NPL ratio 2024 (%)	**1.4**		
Non-performing exposure ABF and Non-core 2023		223	
Non-performing exposure Platforms 2023		24	
Non-performing exposure Mortgages 2023		110	
Non-performing exposure 2023		**358**	
Total Asset Based Finance and Non-core exposure 2023		5,874	
Total Platforms exposure 2023		1,784	
Total Mortgages exposure 2023		13,288	
Total exposure 2023		**20,946**	
NPL ratio 2023 (%)		**1.7**	
Non-performing exposure ABF and Non-core 2022			305
Non-performing exposure Platforms 2022			8
Non-performing exposure Mortgages 2022			98
Non-performing exposure 2022			**410**
Total Asset Based Finance and Non-core exposure 2022			6,471
Total Platforms exposure 2022			1,371
Total Mortgages exposure 2022			12,650
Total exposure 2022			**20,492**
NPL ratio 2022 (%)			**2.0**

IMPAIRMENT COVERAGE RATIO

The impairment coverage ratio compares impaired amounts on loans, lease receivables and mortgage loans to the total impaired exposures, providing meaningful information on the residual risk related to NIBC's impaired assets. The ratio is calculated by dividing the total impairments on loans, lease receivables and mortgage loans by the total exposure of impaired loans, lease receivables and mortgage loans. The elements of the impaired coverage ratio reconcile to NIBC's consolidated financial statements.

$$\textbf{Impairment coverage ratio} = \frac{\textbf{Total stage 3 and POCI impairments on loans, lease receivables and mortgage loans}}{\textbf{Total impaired exposure of loans, lease receivables and mortgage loans}}$$

Impairment coverage ratio	2024	2023	2022
Balance stage 3 and POCI credit losses on loans, leases and mortgages	66		
Total impaired exposure 2024	296		
Impairment coverage ratio 2024 (%)	**22**		
Balance stage 3 and POCI credit losses on loans, leases and mortgages		112	
Total impaired exposure 2023		388	
Impairment coverage ratio 2023 (%)		**29**	
Balance stage 3 and POCI credit losses on loans, leases and mortgages			155
Total impaired exposure 2022			417
Impairment coverage ratio 2022 (%)			**37**

LOAN-TO-DEPOSIT RATIO

The loan-to-deposit ratio compares NIBC's loans to customers to its deposits from customers. It provides meaningful information on the issuer's funding and liquidity position. The loan-todeposit ratio is calculated by dividing the total loans, lease receivables and mortgage loans by the deposits from customers. The elements of the loan-to-deposit ratio reconcile to NIBC's balance sheet.

$$\textbf{Loan to deposit ratio} = \frac{\textbf{Financial assets regarding loans, lease receivables and mortgage loans}}{\textbf{Deposits from customers}}$$

Loan to deposit ratio	2024	2023	2022
Financial assets at amortised cost: loans and lease receivables	4,096		
Financial assets at amortised cost: mortgages loans	13,622		
Financial assets at amortised cost: securitised mortgages loans	-		
Financial assets at fair value through profit or loss: loans	96		
Financial assets regarding loans, lease receivables and mortgage loans (total)	17,814		
Deposits from customers	12,499		
Loan to deposit ratio 2024 (%)	**143**		
Financial assets at amortised cost: loans and lease receivables		6,170	
Financial assets at amortised cost: mortgages loans		12,911	
Financial assets at amortised cost: securitised mortgages loans		-	
Financial assets at fair value through profit or loss: loans		**153**	
Financial assets regarding loans, lease receivables and mortgage loans (total)		19,234	
Deposits from customers		11,769	
Loan to deposit ratio 2023 (%)		**163**	
Financial assets at amortised cost: loans and lease receivables			6,111
Financial assets at amortised cost: mortgages loans			11,749
Financial assets at amortised cost: securitised mortgages loans			241
Financial assets at fair value through profit or loss: loans			143
Financial assets regarding loans, lease receivables and mortgage loans (total)			18,244
Deposits from customers			11,176
Loan to deposit ratio 2022 (%)			**163**

NET INTEREST MARGIN

The net interest margin is a measure to display the difference between interest income and the amount of interest paid out to lenders, relative to the amount of interest-earning assets. It is similar to the gross margin (or gross profit margin) of non-financial companies and provides meaningful information on the contribution of Issuer's business to its operating income. It is calculated as the ratio of (i) the net interest income from the last 12 months and (ii) the 12 months moving average interest bearing assets. Interest bearing assets equal the total assets from the consolidated financial position excluding equity investments, derivatives, investments in associates, property, plant and equipment and other assets. The net interest income reconciles to the income statement of NIBC. The average interest bearing assets cannot be directly reconciled with the financial publications of NIBC as the monthly figures are not disclosed, however the monthly figures are prepared in accordance with the applicable financial reporting framework.

Since the denominator of the net interest margin calculation is subject to volatility in the balance, a moving average provides more reliable information on the underlying developments. The moving average however does not tie back to disclosed balances.

$$\textbf{Net interest margin} = \frac{\textbf{Sum net interest income last 12 Months}}{\textbf{12 Months average interest bearing assets}}$$

Net interest margin	2024	2023	2022
Sum net interest income last 12 months 2024	439		
12 Month average interest bearing assets	22,861		
Net interest margin 2024 (%)	**1.92**		
Sum net interest income last 12 months 2023		463	
12 Month average interest bearing assets		22,465	
Net interest margin 2023 (%)		**2.06**	
Sum net interest income last 12 months 2022			423
12 Month average interest bearing assets			22,143
Net interest margin 2022 (%)			**1.91**

Appendices Sustainability Statement

ESRS 2 APPENDIX B EU LEGISLATION DATA POINTS

The table below outlines the data points derived from other EU legislation as listed in ESRS 2 Appendix B [IRO-2]. In the table it is indicated whether these data points are material or not material and where they can be found in the Sustainability Statement.

ESRS reference	Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Statement as of 31 December 2024 and/or location in Annual Report
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	☐		☐		Composition of the Managing Board
ESRS 2 GOV-1	Percentage of board members who are independent paragraph 21 (e)			☐		Composition of the Supervisory Board
ESRS 2 GOV-4	Statement on due diligence paragraph 30	☐				Sustainability due diligence [GOV-4]
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	☐	☐	☐		Exposure to high-emitting asset classes
ESRS 2 SBM-1	Involvement in activities related to chemical production paragraph 40 (d) ii	☐		☐		Exposure to high-emitting asset classes
ESRS 2 SBM-1	Involvement in activities related to controversial weapons paragraph 40 (d) iii	☐		☐		Exposure to high-emitting asset classes
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			☐		Exposure to high-emitting asset classes
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				☐	Climate Transition Plan [E1-1]
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		☐	☐		Resources and funding of our Decarbonisation levers
ESRS E1-4	GHG emission reduction targets paragraph 34	☐	☐	☐		NIBC current and future decarbonisation targets [E1-4]
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	☐				Not material

ESRS reference	Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Statement as of 31 December 2024 and/or location in Annual Report
ESRS E1-5	Energy consumption and mix paragraph 37	☐				Not material
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	☐				Not material We have no exposure to controversial sectors, see Exposure to high-emitting asset classes
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	☐	☐	☐		Climate - GHG emissions
ESRS E1-6	Gross GHG emissions intensity paragraphs 53 to 55	☐	☐	☐		Climate - GHG emissions
ESRS E1-7	GHG removals and carbon credits paragraph 56				☐	Climate - GHG emissions
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			☐		Physical climate risk Phase-in
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		☐			Omitted Phase-in
ESRS E1-9	Location of significant assets at material physical risk paragraph 66 (c)		☐			Physical climate risk Phase-in
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		☐			Transition risks
ESRS E1-9	Degree of exposure of the portfolio to climate related opportunities paragraph 69			☐		Transition risks Phase-in
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	☐				Not material
ESRS E3-1	Water and marine resources paragraph 9	☐				Not material
ESRS E3-1	Dedicated policy paragraph 13	☐				Not material NIBC Policies

ESRS reference	Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Statement as of 31 December 2024 and/or location in Annual Report
ESRS E3-1	Sustainable oceans and seas paragraph 14	☐				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	☐				Not material
ESRS E3-4	Total water consumption in m 3 per net revenue on own operations paragraph 29	☐				Not material
ESRS 2- SBM 3-E4	Biodiversity sensitive areas paragraph 16 (a) i	☐				Not material
ESRS 2- SBM 3-E4	Land impacts paragraph 16 (b)	☐				Not material
ESRS 2- SBM 3-E4	Threatened species paragraph 16 (c)	☐				Not material
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	☐				Not material NIBC Policies
ESRS E4-2	Sustainable oceans / seas practices or policies paragraph 24 (c)	☐				Not material
ESRS E4-2	Policies to address deforestation paragraph 24 (d)	☐				Not material NIBC Policies
ESRS E5-5	Non-recycled waste paragraph 37 (d)	☐				Not material
ESRS E5-5	Hazardous waste and radioactive waste paragraph 39	☐				Not material
ESRS 2-SBM3-S1	Risk of incidents of forced labour paragraph 14 (f)	☐				Policies related to own workforce [S1-1]
ESRS 2-SBM3-S1	Risk of incidents of child labour paragraph 14 (g)	☐				Policies related to own workforce [S1-1]
ESRS S1-1	Human rights policy commitments paragraph 20	☐				Policies related to own workforce [S1-1]
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			☐		Policies related to own workforce [S1-1]

ESRS reference	Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Statement as of 31 December 2024 and/or location in Annual Report
ESRS S1-1	processes and measures for preventing trafficking in human beings paragraph 22	☐				Policies related to own workforce [S1-1]
ESRS S1-1	workplace accident prevention policy or management system paragraph 23	☐				Policies related to own workforce [S1-1]
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c)	☐				Processes to remediate negative impacts [S1-3]
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	☐		☐		Not material
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	☐				Not material
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	☐		☐		Remuneration metrics [S1-16]
ESRS S1-16	Excessive CEO pay ratio paragraph 97 (b)	☐				Remuneration Report Remuneration metrics [S1-16]
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	☐				Insights in discrimination incidents or complaints [S1-17]
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	☐		☐		Insights in discrimination incidents or complaints [S1-17]
ESRS 2-SBM3-S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	☐				Not material
ESRS S2-1	Human rights policy commitments paragraph 17	☐				Not material NIBC Policies
ESRS S2-1	Policies related to value chain workers paragraph 18	☐				Not material NIBC Policies
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	☐		☐		Not material
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			☐		Not material NIBC Policies

ESRS reference	Disclosure Requirement and related datapoints	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Statement as of 31 December 2024 and/or location in Annual Report
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	☐				Not material NIBC Policies
ESRS S3-1	Human rights policy commitments paragraph 16	☐				Not material NIBC Policies
ESRS S3-1	non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	☐		☐		Not material
ESRS S3-4	Human rights issues and incidents paragraph 36	☐				Not material
ESRS S4-1	Policies related to consumers and end-users paragraph 16	☐				NIBC Policies
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	☐		☐		Policies related to customer relationships [S4-1]
ESRS S4-4	Human rights issues and incidents paragraph 35	☐				Measures related to impacts, risks and opportunities [S4-4]
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	☐				Policies related to corruption and bribery NIBC Policies
ESRS G1-4	Protection of whistleblowers paragraph 10 (d)	☐				Protection of whistleblowers [G1-1]
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	☐		☐		Incidents of corruption and bribery in 2024 [G1-4]
ESRS G1-4	Standards of anti- corruption and anti- bribery paragraph 24 (b)	☐				Incidents of corruption and bribery in 2024 [G1-4]

DEFINITIONS OF SUSTAINABILITY INDICATORS

List of definitions used for quantitative sustainability metrics and relevant key terms used in the narrative.

DEFINITIONS IN RELATION TO STRATEGY AND GOVERNANCE [SBM & GOV]

Executive members [GOV-1 Calculated]
Persons or internal executive bodies performing the executive or management function of the management body and directing the business of the institution. The management body is empowered to set the institution's strategy, objectives and overall direction, and oversees and monitors management decision-making. The management body in its management function directs the institution.

Non-executive members [GOV-1 Calculated]
Persons or supervisory bodies performing the supervisory function of the management body and overseeing and monitoring the management function of the management body. The management body in its supervisory function oversees and challenges the management function and provides appropriate advice. The oversight roles include reviewing the performance of the management function and the achievement of objectives, challenging the strategy, and monitoring and scrutinising the systems that ensure the integrity of financial and non-financial information as well as the soundness and effectiveness of risk management and internal controls.

Independent board members [GOV-1 Calculated]
Board members that exercise independent judgement free from any external influence or conflicts of interest. Independence generally means the exercise of objective, unfettered judgement. When used as the measure by which to judge the appearance of independence, or to categorise a non-executive member of the administrative, management and supervisory bodies or their committees as independent, it means the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making.

Sustainability related targets and impacts [GOV-1 Calculated]
Specific goals aimed at promoting sustainability across environmental, social, and governance dimensions, along with the measurable outcomes of these efforts. They focus on reducing negative impacts, improving practices, and fostering accountability, ultimately contributing to long-term sustainable development.

Climate related considerations [E1.GOV-1 Calculated]
Factors related to climate change, such as GHG reduction targets and sustainability efforts.

Net Revenue [SBM-1/E1-4 Calculated]
For all sustainability indicators in which Net Revenue is included in the calculation, Net Revenue is defined as Interest and similar income as reported in Note 2 Net interest income in the Notes to the Consolidated financial statements published in the Consolidated Financial Statements of this Annual Report. As per Note 2, Interest and similar income comprises the total of (1) Interest income from financial instruments measured at amortised cost and fair value through other comprehensive income and (2) Interest income from financial instruments measured at fair value through profit or loss.

DEFINITIONS IN RELATION TO GREENHOUSE GAS (GHG) EMISSIONS [E1-6]

Greenhouse gas (GHG) emissions (Scope 1, 2 and 3) [E1-6 Estimates]
We report our emissions as per the GHG Protocol. The GHG Protocol classifies an organisation's GHG emissions into three scopes.

- Scope 1 emissions are direct GHG emissions from owned or controlled sources.
- Scope 2 emissions are indirect GHG emissions from the generation of purchased energy.
- Scope 3 emissions are all indirect GHG emissions (not included in scope 2) that occur in the value chain of the reporting organisation, including both upstream and downstream emissions. For NIBC this is mainly related to financed emissions.
- Unit: tCo2e

Scope 1 emissions for our own office in The Hague are calculated based on energy invoices (gas usage in m3) received by NIBC from our energy provider. An emission factor is applied to the gas usage (in m3) to estimate the related emissions. Given NIBC is usually a tenant in a multi-tenant building in its foreign offices this has limitations on data availability. Scope 1 emissions are estimated for leased locations based on the average emissions per m2 floor area and the actual m2 floor area in each leased location if no data is available, a pre-cautionary multiplication factor is included to account for (estimated) differences in energy efficiency.

Scope 2 emissions (location-based and market based) for our own office in The Hague are calculated based on electricity invoices received by NIBC from our energy provider. An emission factor is applied to the electricity usage (kWh). This factor is sourced from the European

Environment Agency (https://www.eea.europa.eu/en) and is updated annually. NIBC has a long-stated preference to source renewable electricity where possible. To support renewable energy claims, copies of certificates of origin are requested if available.

Given NIBC is usually a tenant in a multi-tenant building this has limitations on data availability. Scope 2 emissions are estimated for leased locations based on the average per m2 floor area of the The Hague office and the actual m2 floor area in each leased location if no data is available, a pre-cautionary multiplication factor is included to account for (estimated) differences in energy efficiency.

Scope 3 emission estimates (GHG Protocol Category 15 emissions) are based on the methodology and emission factors provided by the Partnership for Carbon Accounting Financials (PCAF). PCAF is a global initiative that develops standardised frameworks like the Global GHG Accounting and Reporting Standard and related methodologies that are aligned with the GHG Protocol, and are specifically for financial institutions to measure and disclose the GHG emissions associated with their lending and investment portfolios. By adhering to the PCAF standards, we aim to ensure that our calculations are consistent, transparent, and comparable across the financial sector. While data quality is improving year-on-year, primary data is not yet available to such an extent it can be used (per 2024 0.05% of emssions are calculated using primary data). NIBC sources EPC labels for its portfolios from national databases such as EP-Online and estimates energy consumption for real estate collateral objects in our value chain based on PCAF factors.

We note that updates to the methodology and/or used proxy factors can occur in more recent reporting years versus the ones used for the baseline that can lead to outcome changes driven by those changes rather than the result of actions. Therefore we wish to employ a balance between including the most recent methods and/or proxy factors and the general notion to maintain consistency and representative nature versus the relevant baseline.

The main relevant GHG Protocol categories that are relevant to NIBC are:

- Paper usage is accounted for under GHG Protocol Category 1 and is estimated based on a public emissions calculator made available by the Carbon Neutral Group
- Waste refers to any material that is discarded after primary use, considered useless, or no longer wanted. Unrecycled waste is accounted for under GHG Protocol Category 5 and is estimated based on invoices from NIBC's waste provider and factors for unrecycled waste sourced from the Netherlands Enterprise Agency (RVO). For recycled waste, no emissions were accounted for in 2024. Electronic waste, commonly referred to as e-waste, encompasses discarded electrical or electronic devices. Redundant equipment is sold or donated, therefore deemed recycled and therefore no emissions factor has been applied to electronic waste.
- Business travel (flights, rail) is accounted for under GHG Protocol Category 6. Business travel are trips undertaken by employees for work-related purposes. Emissions for this category are estimated by our travel business partner.
- Employee commuting is accounted for under GHG Protocol Category 7. This relates to regular travel undertaken by employees between their place of residence and their workplace. Employee commuting in 2024 was based upon a questionnaire sent to all employees of NIBC. Based on the outcome (distance, mode of transportation, and number of days commuting to the office) the total commuting kilometres were estimated. This input was used to estimate the total emissions by using a public emissions calculator made available by Carbon Neutral Group. In 2023 a less precise estimation method was used.
- GHG Protocol Category 15 emissions for Real Estate collateral objects and Mortgage collateral objects were estimated using building factors from PCAF buildings database. These factors were calculated by PCAF in accordance with the PCAF Global GHG Accounting and Reporting Standard for the Financial Industry. Calculations are based on floor area and energy label (energie prestatie certificaat (EPC)). In case where floor space or EPC data was lacking, NIBC calculated GHG emissions based on assumptions of 140 m2 floor area and/or energy label G. In the calculations data quality scores are used which are based upon the PCAF methodology.
- GHG Protocol Category 15 emissions for Digital Infrastructure and non-core corporate assets have been estimated using sector based factors sourced from the Platform for Carbon Accounting Financials (PCAF) database. In the calculations data quality scores are used which are based upon the PCAF methodology.
- Other Categories (categories 2, 3, 4, 8, 9, 10, 11, 12, 13 and 14) are not included as not deemed relevant for our business context or already included in other categories.

For the portfolio-specific ambitions [E1-4] set for our Dutch Mortgage and Real Estate portfolios, which are based on CCREM pathway (2), the following specific boundaries were applied:

- Mortgages: Dutch mortgages own book portfolio were included. Mortgages under management (OTM) and bridge loans were excluded.
- Real Estate: Dutch portfolio, only asset-linked facilities. Parking facilities were excluded.

Gross Carrying Amount [E1-4 Calculated]
The Gross Carrying Amount is defined as the total receivable amount including any accrued but not yet received interest from a client included in the balance sheet as per year end.

Coverage [E1-4 Calculated]
The Outstandings/Gross Carrying Amount of a specific sector portfolio for which GHG Emissions are estimated divided by the total Outstandings/Gross Carrying Amount of the specific sector portfolio both as per year end.

Intensity ratio (total CO2e/ Net Revenue) [E1-6 Calculated]
This ratio is calculated using the total GHG emissions in tCo2e divided by the total Net Revenue (see definition of Net Revenue).

GHG removals and storage in own operations [E1-6 Estimates]
Removals or storage of greenhouse gas emissions in own operations, from non-renewable sources. For 2024 NIBC has not used GHG removals and storage in the accounting of greenhouse gas emissions for our own operations.

GHG emission reductions or removals outside value chain (carbon credits) [E1-6 Estimates]
Carbon credits, sometimes also referred to as carbon offsets relate to purchased permits allowing an organisation to produce a certain amount of carbon emissions. For 2024 NIBC has not used carbon credits in the accounting of Scope 1, 2 or 3 GHG emissions related to our own operations or financed emissions related to our value chain.

Contractual instruments [E1-6 Calculated]
Contractual instruments means any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

Regulated emission trading schemes [E1-6]
A "regulated emission trading scheme" is a system under which greenhouse gas emissions are capped and regulated, allowing participants to buy, sell, or trade emission allowances within a legally established framework, such as the EU Emissions Trading System (EU ETS) established by Directive 2003/87/EC.

Fuel consumption [E1-9 Estimates]
Fuel consumption refers to the amount of fuel used by various machinery within the reporting period. This includes the usage of fuels such as gasoline, diesel, natural gas, and biofuels.

Energy consumption [E1-9 Estimates]
Energy consumption refers to the amount of energy utilised by various processes, systems, and devices within the reporting period. It encompasses the use of energy in different forms, including electricity, nuclear, natural gas, oil, coal, and renewable sources, to perform work and power activities across different sectors.

Total energy consumption from (non-)renewable sources [E1-9 Estimates]
Energy consumption in own operations from non-renewable sources. NIBC defines non-renewable sources as those related to fossil fuels (oil, gas or coal) as an energy source for electricity, heating or cooling of NIBC offices.

Total energy consumption from renewable sources [E1-9 Estimates]
Energy consumption in own operations, from renewable sources. NIBC defines renewable sources as those related to wind, solar or a renewable mix as an energy source for electricity, heating or cooling of NIBC offices.

Energy intensity per EUR million Net Revenue [E1- Calculated]
A ratio calculated as total energy consumed divided by total Net Revenue as reported in the Consolidated income statement published in the Financial Statements of this Annual Report.

Energy consumption from biomass [E1-9 Estimates]
Energy consumption from biomass refers to the use of organic materials derived from plants and animals as a source of energy. Biomass energy is a renewable resource that can be used for heating, electricity generation, and fuel production.

Material physical risk [E1-9 Estimates]
Physical risks can materialise in multiple ways: they can be acute risks (extreme weather events related to climate change) or chronic physical risks (longer-term gradual shift of climate), but there can also be indirect effects (like loss of ecosystem of services).

Material transition risk [E1-9 Estimates]
Transition risks can materialise by a sudden and severe change in legislation regarding energy efficiency of (residential) real estate, and the costs associated with compliance with such legislation.

Exposure to controversial sectors [E1 Calculated]
Outstanding loan balances to clients indicating the extent to which NIBC is active in the fossil fuel (coal, oil and gas) sector (activities deriving revenues from exploration, mining, extraction, production, processing, storage, or refining); chemicals production; controversial weapons such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons; and/or the cultivation and production of tobacco. Loan balances – if any - reported are as of 31 December 2024.

Operational control [E1-6 Estimates]
Operational control (over an entity, site, operation or asset) is the situation where the undertaking has the ability to direct the operational activities and relationships of the entity, site, operation or asset. NIBC applies for the assessment whether it has operational control regarding a shareholding in an entity (equity investment) the same accounting policy as applied to consolidated entities over which NIBC has directly or indirectly control (refer to accounting policy in Financial Statements in Note [44 Principal subsidiaries and associates]).

DEFINITIONS IN RELATION TO OWN WORKERS [S1]

Total number of employees (FTEs) end of financial period [S1-6 Calculated]
Number of Full Time Equivalent (FTEs) of NIBC worldwide at the end of the year. Only employees on NIBC's payroll and having an 'internal' position are accounted for. NIBC Holding N.V. includes all its international offices, though excludes minority participations of NIBC Holding N.V.. An FTE represents, per employee, the total number of contract hours per week related to the maximum number of contract hours per week (e.g. 40 hours). This maximum can differ per NIBC office (depending on local guidelines) and kind of job contract.

Total number of employees (Headcount) end of financial period [S1-6 Calculated]
Total number of employees (headcount) end of financial period [S1-6 Calculated]Number of employees working for NIBC worldwide at the end of the year. Only employees on NIBC's payroll and having an 'internal' position are accounted for. NIBC Holding N.V. includes all its international offices, though excludes minority participations of NIBC Holding N.V.. Headcount represents, unless other specified, all employees whether having a full-time, part-time or temporary contract.

Male-female pay gap as a % of gross hourly pay level of male paid employees [S1-16 Calculated]
The difference in average gross hourly pay level between male and female employees. The gap is presented as a percentage of male employee's average gross hourly pay level.

Employee turnover (total employees left) [S1-6 Calculated]
Employee turnover consists of outflow of existing employees ('left') in headcount. Percentage (%) Employees Left: The number of employees that left NIBC worldwide throughout the calendar year (between 1 January 2024 and 31 December 2024) divided by the total number of employees (headcount) at the start of the year.

Gender [S1-6 / S1-9 / S1-16 Calculated] [S1-13 Estimated]
For the 2024 sustainability performance indicators, a distinction has been made between the genders ‘Male’ and ‘Female’. NIBC aims to include a third category, ‘Other’, in the sustainability indicators by 2025, where applicable.

Region [S1-6 Calculated]
Distinct area that is characterised by specific geographical, cultural, political, or economic features.

Employee contract type [S1-6 Calculated]
NIBC uses two types of employee contracts: permanent and temporary. Permanent contracts are unlimited in time but ultimately end on the pensionable age of the employee. Temporary contracts are for a specific limited period of time.

Full-time employee [S1-6 Calculated]
A measure for an NIBC employee to be referred to as working "full-time" when the FTE percentage of that worker is equal to 1.

Part-time employee [S1-6 Calculated]
A measure for an NIBC employee to be referred to as working "part-time" when the FTE percentage of that worker is less than 1.

Non-employee [S1-7 Calculated]
An individual hired for interim or temporary work at NIBC, which includes either individual contractors supplying labour to NIBC as "self-employed workers" or workers provided by organisations primarily engaged in "employment activities" (NACE Code N78). These individuals perform tasks associated with NIBC's regular work activities.

Total number of non-employees (FTEs) end of financial period [S1-7 Calculated]
Number of non-employees (FTEs) of NIBC worldwide at the end of the year. Individuals who are hired for project-based, interim, or temporary work at NIBC. These are categorised as category 1 in NIBC's human resources system in order to distinguish from workers from other companies who are on assignment at NIBC.

Corporate title [S1-9 Calculated]
The defining structure in the banking sector describing the level, experience and/or seniority of a worker.

Top management [S1-9 Calculated]
Consists of employees at management level at NIBC with corporate title 'Director', 'Managing Director' and "Managing Board member".

Gender diversity (Male/female ratio) top management [S1-9 Calculated]
The gender distribution in number and percentage at Top management level amongst its employees at the end of the year.

Regular performance review [S1-13 Calculated]
A regular performance review is defined as the ongoing process of communication between a supervisor and an employee that occurs throughout the year (but at least once), in support of accomplishing the strategic objectives of the organisation. The communication process includes clarifying expectations, setting objectives, identifying goals, providing feedback, and reviewing results. The process is captured in a Performance Snapshot, Check-in and/or per requested feedback.

Average training hours per employee [S1-13 Estimated]
The average number of training hours per person for employees. The average number of training hours is based upon a questionnaire sent to all employees of NIBC. The information supplied by the responding employees has been taken as a proxy for the whole employee population.

Annual total remuneration ratio [S1-16 Calculated]
The total annual remuneration, including both fixed base cash salary, other cash elements, benefits in kind and variable components, received by an individual in exchange for their employment services. Measure used to compare the pay of different groups within an organisation. This ratio refers to the total annual remuneration of the highest-paid employee (CEO) compared to the median total annual remuneration of all other employees (excluding CEO).

Severe human rights issues [S1-17 Calculated]
Violations of human rights that result in significant harm or impact on individuals or communities. These can include but are not limited to instances such as forced labour, child labour, discrimination, violence, harassment, and violations of freedom of association or collective bargaining rights.

Number of complaints filed through channels for people in own workforce to raise concerns [S1-17 Calculated]
Formal or informal avenues provided by organisations where individuals can voice grievances, report issues, or seek resolution for concerns related to their employment or interactions within the organisation. NIBC has multiple channels for filling complaints; via Confidential advisor, Whistleblowers procedure, via HR Partners, HR complaints procedure.

Incidents, complaints and violations within workforce related to work, social & human rights [S1-17 Calculated]
Work-related incidents of discrimination involving gender, race, nationality, religion, disability, age, sexual orientation, or other relevant forms with internal and/or external stakeholders.

DEFINITIONS IN RELATION TO CONSUMERS AND END USERS [S4]

NIBC Retail Customer Satisfaction Score [S4 Estimates]
Outcome of the latest, annual online Customer Satisfaction Survey (CSS) for NIBC Bank's retail clients, i.e. NIBC Savings Netherlands (NL, including Mortgages), Belgium (BE) and Germany (DE), that was completed in the reporting period. The digital surveys were conducted in November 2024 through a third party Kien, using a random selection of NIBC's new and existing Dutch NIBC Mortgage and Savings clients, Belgian NIBC Savings clients and German NIBC Savings and Brokerage clients. Clients were selected based amongst other criteria on country and product. The average scores (on a scale of 0 to 10) per country and product are totalled and divided by the total number of clients in the population.
The response rate was approximately 7% which is limited, however in line with previous year and therefore considered to be representative to provide the required insight and show year-on-year variance development. The research was carried out by Kien in accordance with the guidelines of ISO 20252.

Asset Based Finance Net Promoter Score [S4 Estimates]
Outcome of Net Promoter Score (NPS) survey sent to NIBC's Asset Based Finance clients, who executed a (lending) deal/deals during the reporting period, and for existing lending clients. It is calculated over the Asset Based Finance Digital Infrastructure and Real

Estate client base as per end October 2024, excluding distressed asset clients and internal clients. The NPS methodology is a widely used methodology in which scores from 0 to 6 are classified as 'detractor', scores 7 or 8 are classified as 'passive' and only those scores that are 9 or 10 are classified as 'promoter'. The result is calculated by the percentage of promoters minus the percentage of detractors, responding to the NPS survey. The NPS can therefore range from -100% to +100%. In case of multiple deals on one client, the client is counted once. When the online survey is sent to multiple contact persons for a client, only the first response is included. The response rate was approximately 11% which is limited, however in line with previous year and therefore considered to be representative to provide the required insight and show year-on-year variance development.

DEFINITIONS IN RELATION TO BUSINESS CONDUCT [G1]

Functions-at-risk [G1-3 Calculated]
Functions-at-risk are the employees who is proxy to sign on behalf of NIBC. The specific role or department within an organisation that requires additional attention in regard to the risk of corruption or bribery.

Anti-corruption and bribery training [G1-4 Calculated]
Training programs – mostly in the form of e-learnings - about prevention, detection and deterrence of bribery and corruption. These comprise the key elements to an effective Anti-Bribery and Corruption training (ABC training). Employees are trained and informed through educational courses to achieve the followings: prevent or minimise the risk of bribery and corruption, detect incidences/indications of bribery and corruption and create a deterrent environment to bribery and corruption within NIBC's business.

Confirmed incidents of corruption or bribery (for employees & business partners) [G1-4 Calculated]
A confirmed incident involving a bribery or corruption case that has been internally assessed by Compliance as a serious case. Compliance will determine what measures are necessary in accordance with the potential seriousness and likely impact of the alleged offences. In consultation with Compliance and ORM, line management should also record any known incidence or suspicion of bribery or corruption as an Operational Risk Event. Employees, business partners, suppliers and associated persons operating on our behalf may not, directly or indirectly, offer, provide, promise or accept anything of value (including the examples given above) in exchange for favourable business treatment or to obtain or retain business.

Number of confirmed incidents of bribery or corruption [G1-4 Calculated]
The total number of confirmed incidents of corruption or bribery. Incidents are recorded in NIBC's operational risk reporting system and are to be confirmed by Compliance.

Number of convictions and amount of fines for confirmed violation of anti-corruption or anti-bribery laws [G1-4 Calculated]
The total number of convictions for violation of anti-corruption and anti-bribery laws by NIBC and its workforce. Convictions are recorded in NIBC's operational risk reporting system and are to be confirmed by Compliance.

Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery related incidents [G1-4 Calculated]
The number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents. Confirmed incidents are as recorded in NIBC's operational risk reporting system and are to be confirmed by Compliance.

DEFINITIONS IN RELATION TO EU TAXONOMY

EU Taxonomy: Total Green Asset Ratio (GAR)
Taxonomy-aligned assets as a proportion of total GAR assets.

EU Taxonomy: Total GAR assets
Total GAR assets are defined as gross carrying amount of total assets excluding exposures towards central governments, central banks, supranational issuers, and the trading portfolio. Total assets are based on the prudential consolidation of NIBC Bank N.V..

EU Taxonomy: Coverage ratio
GAR assets (gross carrying amounts) divided by total assets based on the prudential consolidation of NIBC Bank N.V. (gross carrying amounts).

NIBC POLICIES

A comprehensive and robust library of corporate policies has been developed over many years by NIBC. The overview presented below is non exhaustive and represent policies and standards applied by NIBC which are most relevant to the CSRD topic and the material impacts, risks and opportunities. The policies mentioned are publicly available unless mentioned as internal

ESRS[1]	Topic & Material IROs	Main policy commitments and application	NIBC Policies and relevant processes[2]
E1	Climate Change (1) Greenhouse gas emissions (2) Climate resiliency (3) Extreme weather events (4) Climate impacts on physical assets (5) Physical and transition risk to houses	NIBC's policies commit ourselves to performing environmental due diligence, acting on the findings of our due diligence, and exclusion of investments that we deem to be outside of our risk appetite. We express our policy ambition to achieve net zero emissions before 2050 and a 55% reduction in of Scope 123 GHG emissions by 2030 compared to our 2019 baseline. Potential policy developments and refinements are typically discussed with relevant stakeholders such as investors, civil society organisations and/or authorities.	■ Sustainability Framework (RMC) ■ Sustainability policy (RMC) ■ Environment and climate policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Travel Policy (MB, internal) ■ Supplier Code of Conduct (contractual)
E2	Pollution	NIBC pursues reductions of direct and indirect greenhouse gas emissions, to utilise best available technologies, and to avoid pollution to air, water and land. Our policies also aims to reduce micro-plastics, avoid ozone-depleting substances such as those listed in the Montreal Protocol, and to eliminate direct emissions to water of priority substances identified by the EU. Potential policy developments and refinements are typically discussed with relevant stakeholders such as clients, civil society organisations and/or authorities.	■ Sustainability Framework (RMC) ■ Sustainability policy (RMC) ■ Environment and climate policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Travel Policy (MB, internal) ■ Supplier Code of Conduct (contractual)
E3	Water and Marine Resources	NIBC avoids financing of projects and activities in Ramsar sites or in or near marine protected zones, nature reserves and other high conservation areas. Potential policy developments and refinements are typically discussed with relevant stakeholders such as clients, civil society organisations and/or authorities.	■ Sustainability Framework (RMC) ■ Sustainability policy (RMC) ■ Environment and climate policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Travel Policy (MB, internal) ■ Supplier Code of Conduct (contractual)
E4	Biodiversity and Ecosystems	NIBC aims to avoid activities in or near high conservation zones. High conservation value forests and marine protection zones help to protect against biodiversity losses and diminishing ecosystem services. Land use change and its impact is an aspect that we continue to assess. NIBC has strengthened its policies to address stakeholder concerns in regard animal welfare within remaining non-core activities. Potential policy developments and refinements are typically discussed with relevant stakeholders such as clients, civil society organisations and/or authorities.	■ Sustainability Framework (RMC) ■ Sustainability policy (RMC) ■ Environment and climate policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Travel Policy (MB, internal) ■ Supplier Code of Conduct (contractual)
E5	Resource use and circular economy	NIBC supports recycling, innovative and responsible waste management, and reducing the production and use of single use plastics. Potential policy developments and refinements are typically discussed with relevant stakeholders such as clients, civil	■ Sustainability Framework (RMC) ■ Sustainability policy (RMC) ■ Environment and climate policy (RMC) ■ Commercial Real Estate sustainability policy (RMC)

ESRS[1]	Topic & Material IROs	Main policy commitments and application	NIBC Policies and relevant processes[2]
		society organisations and/or authorities.	■ Infrastructure sustainability policy (RMC) ■ Travel Policy (MB, internal) ■ Supplier Code of Conduct (contractual)
S1	Own workforce (6) Occurrence of workplace discrimination	NIBC's main policies related to our workforce are our Managing Board, Supervisory Board and employee remuneration policies, our Staff Manual, our Diversity policy, our Health policy, our Development policy, our Employee Screening policy, our Code of Conduct and our Whistleblowing policy. Potential policy developments and refinements are typically discussed with relevant stakeholders such as workers, NIBC's Works Council, and/or authorities.	■ Employee Remuneration Policy (SB) ■ Staff Manual (MB, Works Council, internal) ■ Health Policy (MB, internal) ■ Employee Screening Policy (HR, internal) ■ Managing Board Remuneration Policy (SB) ■ Supervisory Board Remuneration Policy (SB) ■ Employee Assessment of Knowledge and Competence Policy (MB, internal) ■ Whistleblowing Policy (RMC) ■ Complaints Handling Policy (RMC, internal)
S2	Workers in the value chain	NIBC believes that respect for human rights is a basic responsibility, towards our own employees, as well as towards those people who are affected directly or indirectly by our actions. The rights to freedom of association and freedom of expression are encoded in our policies. Core social commitments include the Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, ILO standards and core conventions and the UN Guiding Principles on Business and Human Rights. These provide the standards we follow and expectations that we set out for clients and business partners. Potential policy developments and refinements are typically discussed with relevant stakeholders such as civil society organisations and/or authorities.	■ Sustainability policy (RMC) ■ Human Rights policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Supplier Code of Conduct (contractual) ■ Complaints procedure (NIBC website)
S3	Affected communities	NIBC is guided in our policy approach toward Affected Coomunities by the goals of the Paris Agreement, the OECD Guidelines, ILO core conventions and UN Guiding Principles on Business and Human Rights among others. Sector specific applications requirements are set out in our sector sustainability policies. Potential policy developments and refinements are typically discussed with relevant stakeholders such as clients, stakeholder represnetatives (i.e. civil society organisations), business partners and/or authorities.	■ Sustainability policy (RMC) ■ Human Rights policy (RMC) ■ Commercial Real Estate sustainability policy (RMC) ■ Infrastructure sustainability policy (RMC) ■ Supplier Code of Conduct (contractual) ■ Complaints procedure (NIBC website)
S4	Consumers and endusers (7) Cybersecurity (8) Access to the housing market (9) Client data protections	NIBC pursues fair lending practices and to avoid greenwashing and misleading communications. General conditions are provided in the local language of the consumer's location. Privacy statements describe NIBC's approach taking into account applicable laws and regulations.	■ Code of Conduct (MB) ■ New Product Approval and Review Policy (RMC, internal) ■ Sustainability Policy (RMC)

ESRS[1]	Topic & Material IROs	Main policy commitments and application	NIBC Policies and relevant processes[2]
		NIBC's product approval (NPARP) and significant change (SCARP) processes include a review from sustainability and conduct subject matter experts. A complaints procedure on our corporate website guides customers and their legitimate representatives on the various possibilities to pursue a grievance. Potential policy developments and refinements are typically discussed with relevant stakeholders such as authorities, clients, business partners and/or authorities.	▪ Savings and Mortgage Terms and Conditions (contractual) ▪ Complaints procedure (NIBC website) ▪ Data Protection Policy (RMC) ▪ Client Due Diligence policy (RMC, internal) ▪ Corporate Information Security Policy (RMC, internal) ▪ IT Security Risk Management Policy (RMC, internal) ▪ Third Party Services Policy (RMC, internal)
G1	Business conduct (6) (Prevention of) Workplace discrimination (12) (Prevention of) Bribery and Corruption (14) Maintaining good reputation (15) Whistleblower protections	NIBC's anti-corruption, anti-fraud and and anti-bribery policies are well established and consistent with the United Nations Convention Against Corruption. Environmental and social protections are embedded in NIBC's Sustainability policies and ESG sector policies. Our Code of Conduct is a core policy which every new staff member signs when joining NIBC. Our Whistleblower policy provides safeguards for reporting any irregularities or suspicious behaviours. These are designed to ensure non-retaliation against complainants. Trusted representatives are available to guide internal complainants and anonymous channels are also offered. NIBC's external complaints mechanism is available to all stakeholders and their legitimate representatives. Potential policy developments and refinements are typically discussed with relevant stakeholders such as workers, NIBC's Works Council, and/or authorities.	▪ Code of Conduct (MB) ▪ Anti Bribery and Corruption Policy (RMC) ▪ Whistleblowing Policy (RMC) ▪ Fraud Prevention Policy (RMC) ▪ Gifts and Entertainment Policy (RMC) ▪ Procurement Policy (CFO, CTO, internal) ▪ Legal Procurement Policy (NOFIRAG) ▪ Environment & Climate Policy (RMC) ▪ Employee Assessment of Knowledge and Competence Policy (MB, internal) ▪ Managing Board Remuneration Policy (SB) ▪ Supervisory Board Remuneration Policy (SB) ▪ Complaints procedure (NIBC website)
Entity specific	Client Satisfaction (10) Knowledgeable client-facing staff (11) Improving digital platforms	NIBC's policy approach toward client satisfaction ranges across business conduct, (internal) product approval standards, sustainability, contractual obligations and processes and standards for raing complaints. NIBC is guided in our policy approach by international standards such as UN Global Compacts 10 principles, UN Guiding Principles on Business and Human Rights and OECD Guidelines.	▪ Code of Conduct (MB) ▪ New Product Approval and Review Policy (RMC) ▪ Sustainability Policy (RMC) ▪ Savings and Mortgage Terms and Conditions (contractual) ▪ Complaints procedure (NIBC website) ▪ Complaints Handling Policy (RMC, internal)
Entity specific	ESG Risk Management (13) Effective ESG and AML risk management practices	NIBC aims to maintain a robust ESG risk management approach which is appropriate and proportionate rellative to our size, business context and material risks for NIBC and its stakeholders. NIBC's approach continues to evolve and is guided by international standards and develping best practices such as ECB Guide on Climate and Environmental Risks and EBA Guidelines on the management of ESG Risks.	▪ Sustainability Framework (RMC) ▪ Sustainability policy (RMC) ▪ Environment and climate policy (RMC) ▪ Commercial Real Estate sustainability policy (RMC) ▪ Infrastructure sustainability policy (RMC) ▪ Fraud Prevention Policy (RMC)

ESRS[1]	Topic & Material IROs	Main policy commitments and application	NIBC Policies and relevant processes[2]
		Potential policy developments and refinements are typically discussed with relevant stakeholders such as civil society organisations and/or authorities.	■ Travel Policy (MB) ■ Supplier Code of Conduct (contractual)

1 Material impacts, risks and opportunities highlighted in blue color
2 For all policies it is indicated what the applicable senior approving body was. These policies are publicly available, unless otherwise indicated. For those other standards it is indicated where they are available publicly (either on our website or on an contractual basis)

Contact information

Our website, www.nibc.com, offers a wide range of information about NIBC, financial information, corporate information, corporate calendar, press releases and sustainability information. The information is available on our English, Dutch and German website. Financial information (annual reports, full-year and half-year results releases and trading updates) is available in English.
To receive press releases and other NIBC news, please subscribe to our e-mail service by sending an e-mail to info@nibc.com.

Questions and remarks

We invite all stakeholders to ask their questions and share their remarks.

- General questions and remarks can be addressed to Corporate Communications, telephone +31 70 342 56 25/e-mail info@nibc.com;
- Questions and remarks related to bond investments can be addressed to Debt Investor Relations, Toine Teulings, telephone +31 70 342 98 36/e-mail toine.teulings@nibc.com;
- Questions and remarks related to ESG can be addressed to the CSR department, e-mail csr@nibc.com;
- You can find NIBC's complaints procedures here. NIBC's retail clients in the Netherlands can find our complaints procedures here, our German retail clients can find these here, and NIBC's retail clients in Belgium can find our complaints procedures here (Dutch) or here (French).

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Disclaimer

Presentation of information

This annual report of NIBC Holding N.V. (**NIBC**) has been prepared in accordance with IFRS-EU and with Title 9 of Book 2 of the Netherlands Civil Code.

The Annual Report is presented in *euros* (**EUR**), rounded to the nearest million (unless otherwise stated). Certain figures may not tally due to rounding. Percentages have been calculated using unrounded figures.

Cautionary statement regarding forward-looking statements

Certain statements in this Annual Report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC's business, result of operation, financial condition, plans, objectives, goals, strategies, future events, future revenues and/or performance, capital expenditures, financing needs, plans or intentions, as well as assumptions thereof. These statements are based on NIBC's current view with respect to future events and financial performance. Words such as 'believe', 'anticipate', 'estimate', 'expect', 'intend', 'predict', 'project', 'could', 'may', 'will', 'plan', 'forecast', 'target' and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve uncertainties and are subject to certain risks, including, but not limited to (i) general economic conditions, in particular in NIBC's core and niche markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets (ix) changes in law and regulations, including taxes (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives, and (xii) the risks and uncertainties as addressed in this Annual Report, the occurrence of which could cause NIBC's actual results and/or performance to differ from those predicted in such forward-looking statements and from past results.

The forward-looking statements speak only as of the date hereof. NIBC does not undertake any obligation to update or revise forward-looking statements contained in this Annual Report, whether as a result of new information, future events or otherwise. Neither do NIBC nor any of its directors, officers or employees make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

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Abbreviations

12M-ECL: 12-month ECL
ABC: Anti-Bribery & Corruption
AC: Amortised Cost
AC: Audit Committee
AIRB: Advanced Internal Ratings Based
ALCO: Asset & Liability Committee
AML: Anti Money Laundering
AMLD4: Anti-Money Laundering and Terrorist Financing Directive
APMs: Alternative Performance Measures
BKR: Bureau Krediet Registratie (Dutch National Credit Register)
BPV: Basis Point Value
BtL: Buy-to-Let
CAS: Dutch Climate Adaption Service
CBA: Collactive Bargaining Agreements
CCyB: Countercyclical Capital Buffer
CDC: Collective Defined Contribution
CDD: Customer Due Dilligence
CDR: Common Depositary Receipt
CEBS Guidelines: Committee of European Banking Supervisors Guidelines
CEO: Chief Executive Officer
CET I: Common Equity Tier 1 ratio
CFO: Chief Financial Officer
CRO: Chief Risk Officer
CRREM: Carbon Risk Real Estate Monitor
CRS: Common Reporting Standard
CSA: Credit Support Annex
CSR: Corporate Social Responsibility
CSRD: Corporate Sustainability Reporting Directive
CSS: Customer Satisfaction Survey
CVAs and DVAs: Credit Valuation Adjustments & Debit Valuation Adjustments
DMA: Double Materiality Assessment
DNB: De Nederlandsche Bank N.V. (Dutch Central Bank)
DNHS: Do No Significant Harm
DSCR: Debt Service Coverage Ratio
DTA: Deferred Tax Assets
DTL: Deferred Tax Liabilities
EAD: Exposure at Default
EaR: Earnings at risk
EBA: European Banking Authority
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation
EC: Economic Capital
ECB: European Central Bank
ECL: Expected Credit Loss
EEM-NL: Energy Efficient Mortgages Netherlands
EES: Employee Engagement Survey
EL: Expected loss
EPBD: European Buildings Performance Directive
EPC: Energy Performance Certificate
ESG: Environmental, Social and Governance
ESMA: European Securities and Markets Authority
ESRS: European Sustainability Reporting Standards
ExCo: Executive Committee
FATCA: Foreign Account Tax Compliant Act
FMCR: Financial Markets Credit Risk
FTE: Full-Time Equivalent
FVOCI: Fair value through other comprehensive income
FVtPL: Fair value through profit or loss
GDP: Gross Domestic Product
GDPR: General Data Protection Regulation
GHG: Greenhouse Gas Emissions
GRI: Global Reporting Initiative
IC: Investment Committee
ICAAP: Internal Capital Adequacy Assessment Process
IFRS: International Financial Reporting Standards
ILAAP: Internal Liquidity Adequacy Assessment Process
ILO: International Labour Organization
IPCC: Intergovernmental Panal on Climate Change
IPO: Initial public offering
IRO: Impacts, Risks and Opportunities
IRRBB: Interest Rate Risk in the Banking Book
ISDA: International Swaps and Derivatives Association
ISO: International Organization for Standardization
KNMI: Koninklijk Nederlands Meteriologisch Institute (Royal Dutch Meterorological Institute)
KYC: Know Your Customer
KYS: Know Your Supplier
LCR: Liquidity Coverage Ratio
LGD: Loss Given Default
LT-ECL: Life-time ECL
LTI: Loan-to-Income
LTIMV: Loan-to-Indexed-Market Value
LTMV: Loan-to-Market Value
MDA: Maximum Distributable Amount
MiFID II: Markets in Financial Instruments Directive
MIP: Management Investment Plan
MS: Minimum Safeguards
MtM: Marked-to-Market Value
NACE: Statistical Classification of Economic Activities in the European Community
NFRD: Non-Financial Reporting Directive
NGFS: Network for Greening the Financial System
NHG Guarantee: National Mortgage Guarantee
NIBC: NIBC Holding N.V.
NPARP: New Product Approval and Review Policy
NPL: Non-Performing Loan
NPS: Net Promoter Score
NSFR: Net Stable Funding Ratio
NUTS: Nomenclature of territorial units for statistics
NVB: Nederlandse Vereniging van Banken (Dutch Banking Association)
OCI: Other Comprehensive Income
OECD: Organisation for Ecomic Co-operation and Development
OTC: Over The Counter
OTM: Originate-to-Manage

PACE: Professional, Adaptive, Collaborative and Entrepreneurial
PCAF: Partnership for Carbon Accounting Financials
PEP: Politically Exposed Persons
PFE: Potential Future Exposure
PiT: Point-in-Time
POCI: Purchased or originated credit impaired assets
PSU: Phantom Share Unit
RAROC: Risk-adjusted return on capital
RC: Regulatory capital
RCP: Representative Concentration Pathways
RDA: Restructuring & Distressed Assets
RMBS: Residential Mortgage-Backed Securities
RMC: Risk Management Committee
RNC: Remuneration and Nominating Committee
ROA: Return on Assets
ROE: Return on Equity
RPCC: Risk Policy & Compliance Committee
RPSU: Restricted Phantom Share Unit
RSRS: Responsible Ship Recycling Standards
RVO: Rijksdienst voor Ondernemend Nederland
RWA: Risk Weighted Assets
S&P: Standard & Poor's
SCARP: Significant Change Approval and Review Policy
SDGs: Sustainable development goals
SE: Structured Entity
SER: Sociaal Economische Raad
SFDR: Sustainable Finance Disclosure Regulation
SICR: Significant increase in credit risk
SIRA: Systematic Integrity Risk Analysis
SLL: Sustainability Linked Loans
SREP: Supervisory review and evaluation process
SSP: Shared Socioeconomic Pathways (by IPCC)
STC: Sustainability and Technology Committee
STI: Short-Term Incentive
TC: Transaction Committee
TCFD: Taskforce for Climate-related Financial Disclosures
TLTRO: Targeted Longer Term Refinancing Operation
TSC: Technical Screening Criteria
TTC: Through-the-cycle
UN PRI: UN Principles for Responsible Investment
UN SDGs: UN Sustainable Development Goals
UNEP: United Nations Environment Programme
UNGC: United Nations Global Compact
UNGP: UN Guiding Principles for Business and Human Rights
UNOPS: United Nations Office for Project Services
VaR: Value at Risk
VAT: Value Added Tax
WEW: Stichting Waarborgfonds Eigen Woningen (Social Housing Guarantee Fund)
Wft: Wet op het Financieel Toezicht (Dutch Financial Supervision Act)
Wwft: Wet ter voorkoming van witwassen en financieren van terrorisme (Anti-Money Laundering and Anti-Terrorist Financing Act)