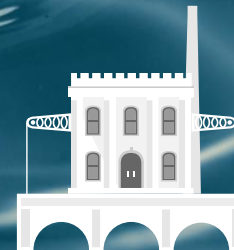


INVESTOR PRESENTATION

The sustainable water bank



The sustainable water bank

Our objective:
Responsible and
social return



Bank of and for the
public water sector

Financing partner to enhance
sustainability in the Netherlands

Key player in financing
the Dutch public sector

Sustainable, efficient and socially
committed organisation

Welcome

- Key investor points
- Ownership structure
- Breakdown of loan portfolio
- Key figures H2023
- Funding strategy
- Rules and regulations
- Debt distribution
- Commercial paper
- Climate action plan
- Carbon footprint
- ESG ratings
- Publicity
- SRI bond issues in time
- SRI bonds
- Water Bonds
- SDG Housing Bonds
- Added value NWB Bank
- Take away



Key investor points

NWB Bank – Nederlandse Waterschapsbank

- Bank for the Dutch public sector established in 1954
- Ratings:



S&P
AAA
Stable
A-1+



Moody's
Aaa
Stable
P-1

- 100% owned by Dutch State and local authorities
- Almost all credit exposure to Dutch government
- Never a default on a loan
- Bloomberg ticker: NEDWBK



Key investor points

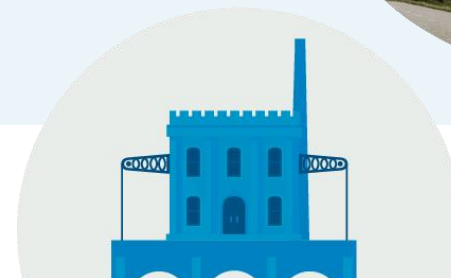
- **5th bank**
in the **Netherlands** in terms of balance sheet total
- **5th bank**
in the **World's Safest Bank** List
- Government shareholders with a clear mandate
- No profit maximization
- Largest issuer of sustainable bonds in the Netherlands



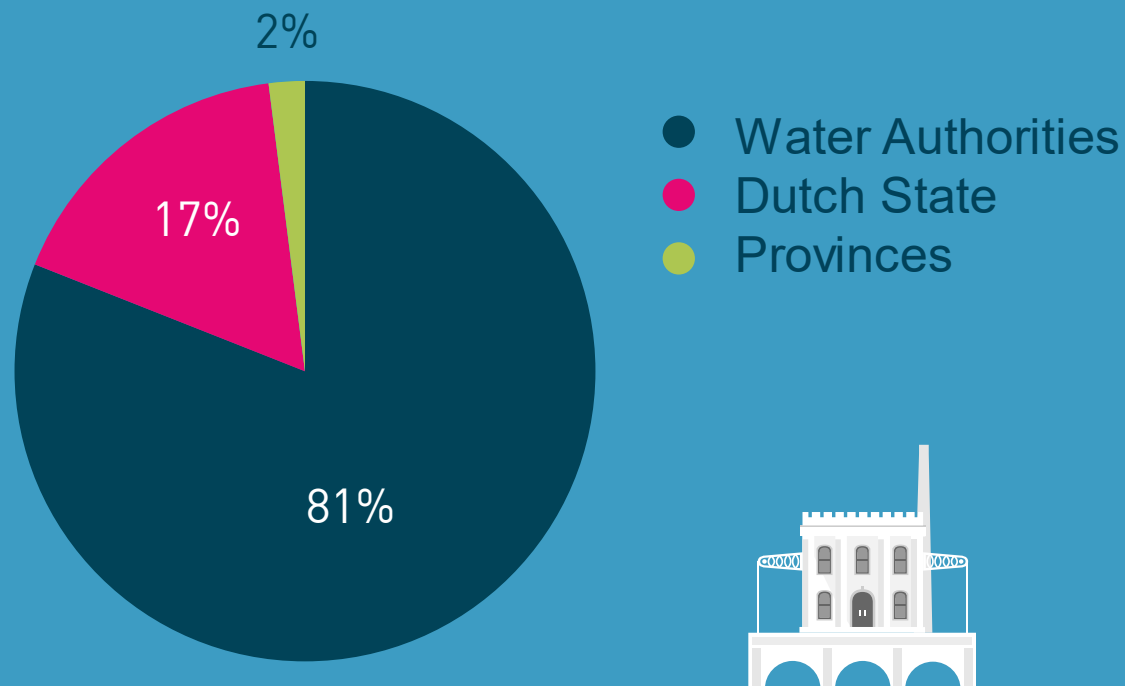
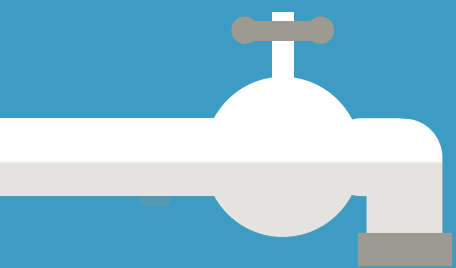
Key investor points

NWB Bank – Nederlandse Waterschapsbank

- Supervision by ECB
- **20%**
BIS risk weighting
- Level 1 High Quality Liquid Asset
- On QE buying list of ECB
- Annual issuance Green and Sustainable Bonds **>33%**
total long term funding
- Long term funding requirement 2023 around **€ 10-12 bln**



Ownership structure



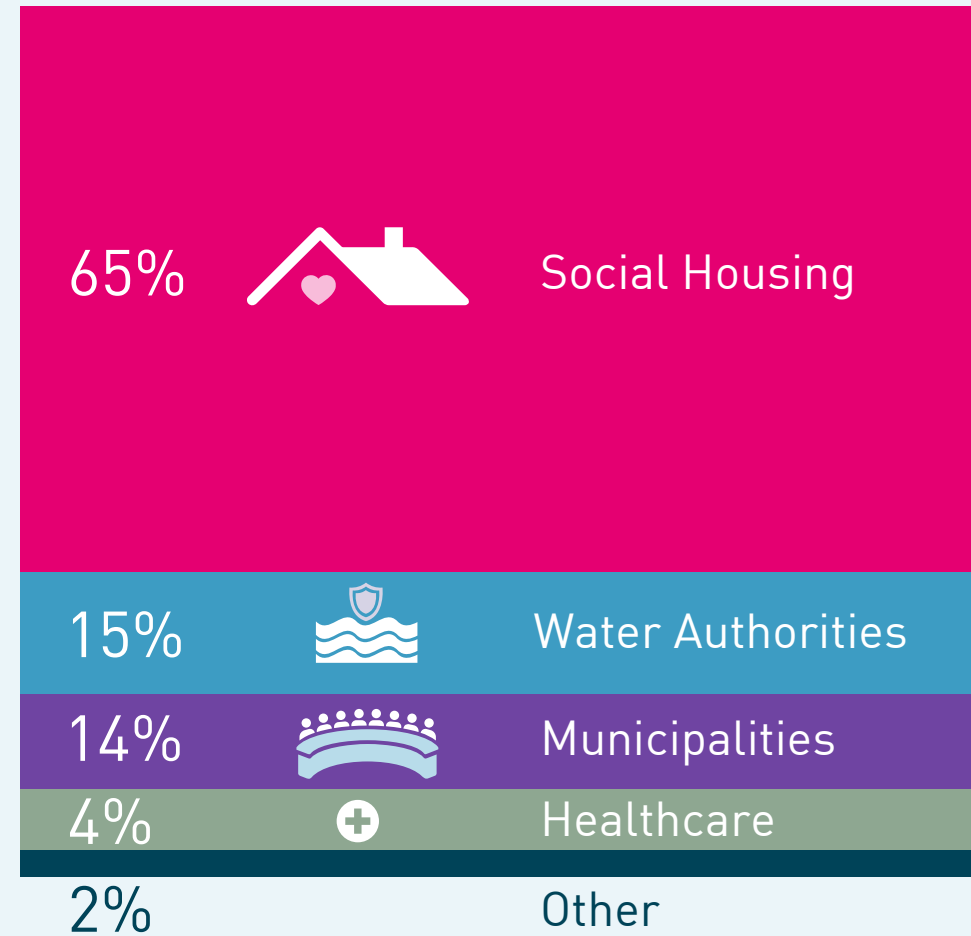
Memorandum and Articles of Association state that only the Dutch State and other public legal entities can be shareholders of NWB Bank

Water authorities are decentralised public authorities

- Similar legal status to municipalities
- Responsible for the flood control, water quality, water quantity and treatment of urban wastewater
- Receive on average 5% of their revenues from the government and the rest from taxes they are allowed to levy
- The mandate of the Water authorities is laid down by law in the “Waterschapswet” (www.overheid.nl)

Breakdown of loan portfolio

- **AAA** implicit rating
- Dutch government risk
- Zero-risk solvency weighting



Key figures H2023

Net profit

€ 72
million



Balance
sheet total

€ 88
billion



Cost/income
ratio

20.4%



Shareholders
equity

€ 2.0
billion



CET1
ratio

37.9%



required minimum 7%

Liquidity
coverage ratio

320%



required minimum 100%

Leverage
ratio

8.6%



required minimum 3%

Net stable
funding ratio

148%



required minimum 100%

Funding strategy

Benchmark transactions

Debt Issuance Program **€ 75 bln**

- In EUR and USD
- In benchmark maturities and size
- Eurobond (Reg S) format and 144A

Private placements – EMTN, loan format, SSD, NSV

- On reverse inquiry, customized, listing option
- Flexible as to currency, maturity and structure

Public transactions

EMTN, Kangaroo, Kauri, Formosa

- In various currencies:
AUD, CAD, CHF, GBP, JPY, NOK, SEK
- Plain vanilla



Rules and regulations

High Quality Liquid Assets (HQLA) definition for the LCR

-  European Union: Level 1
-  Switzerland: Level 2a
-  US: Level 2a

(guidelines are subject to individual investor interpretation)

Repo eligible with: ECB, Swiss National Bank and Federal Reserve Bank

Euro denominated bonds NWB Bank eligible under Public Sector Purchase Programme (PSPP)

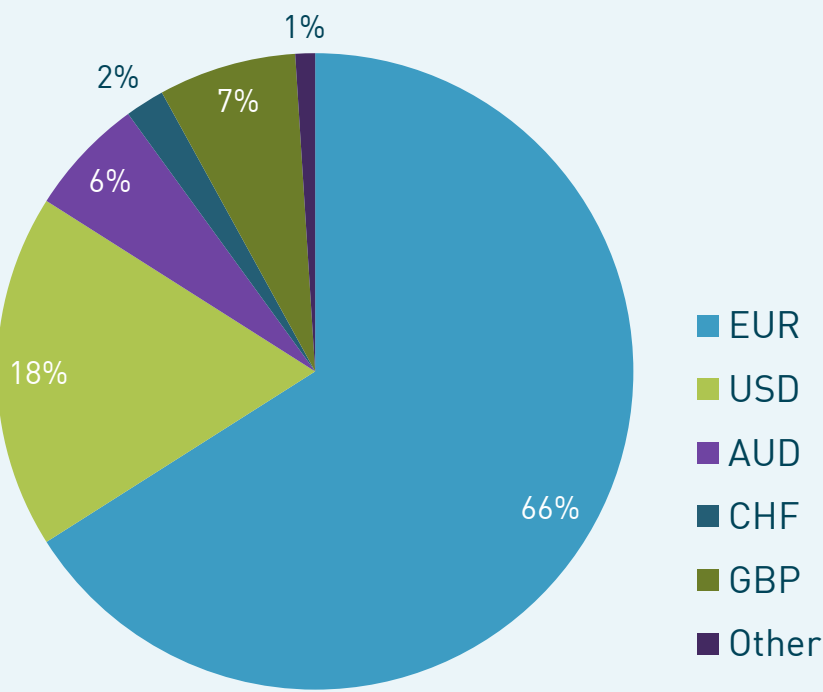
Bank Recovery and Resolution Directive (BRRD) / Single Resolution Mechanism (SRM)

- In case of NWB Bank, BRRD/SRM does not restrict the ability of the Dutch State to support
- Dutch State acts as a shareholder, as such this is considered as private solution

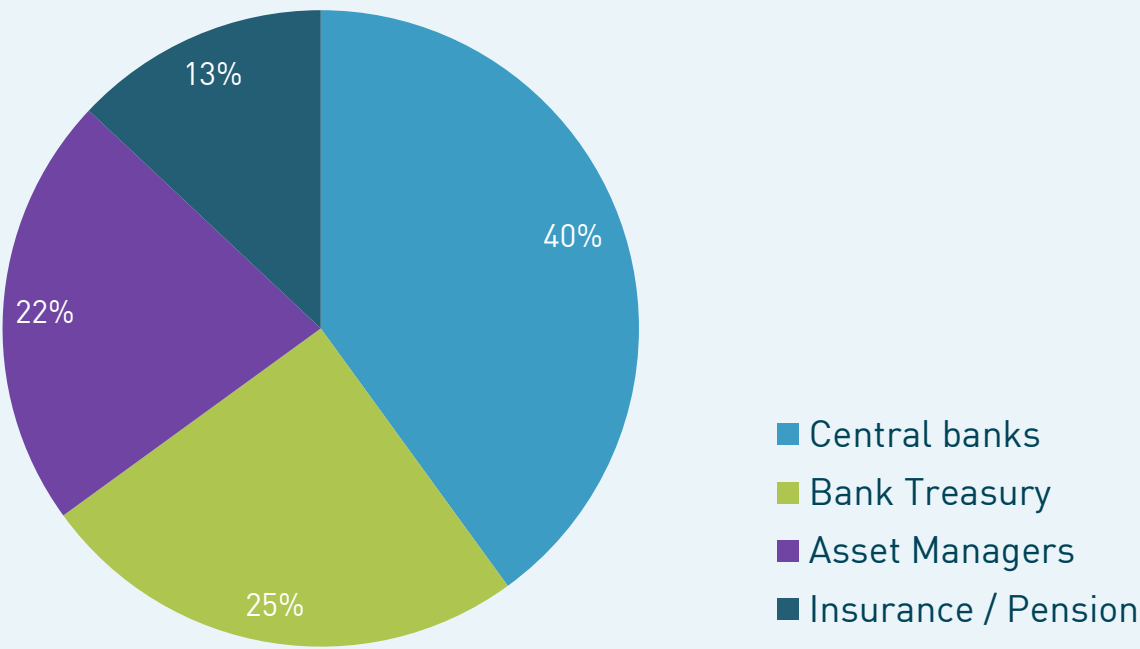


Debt distribution

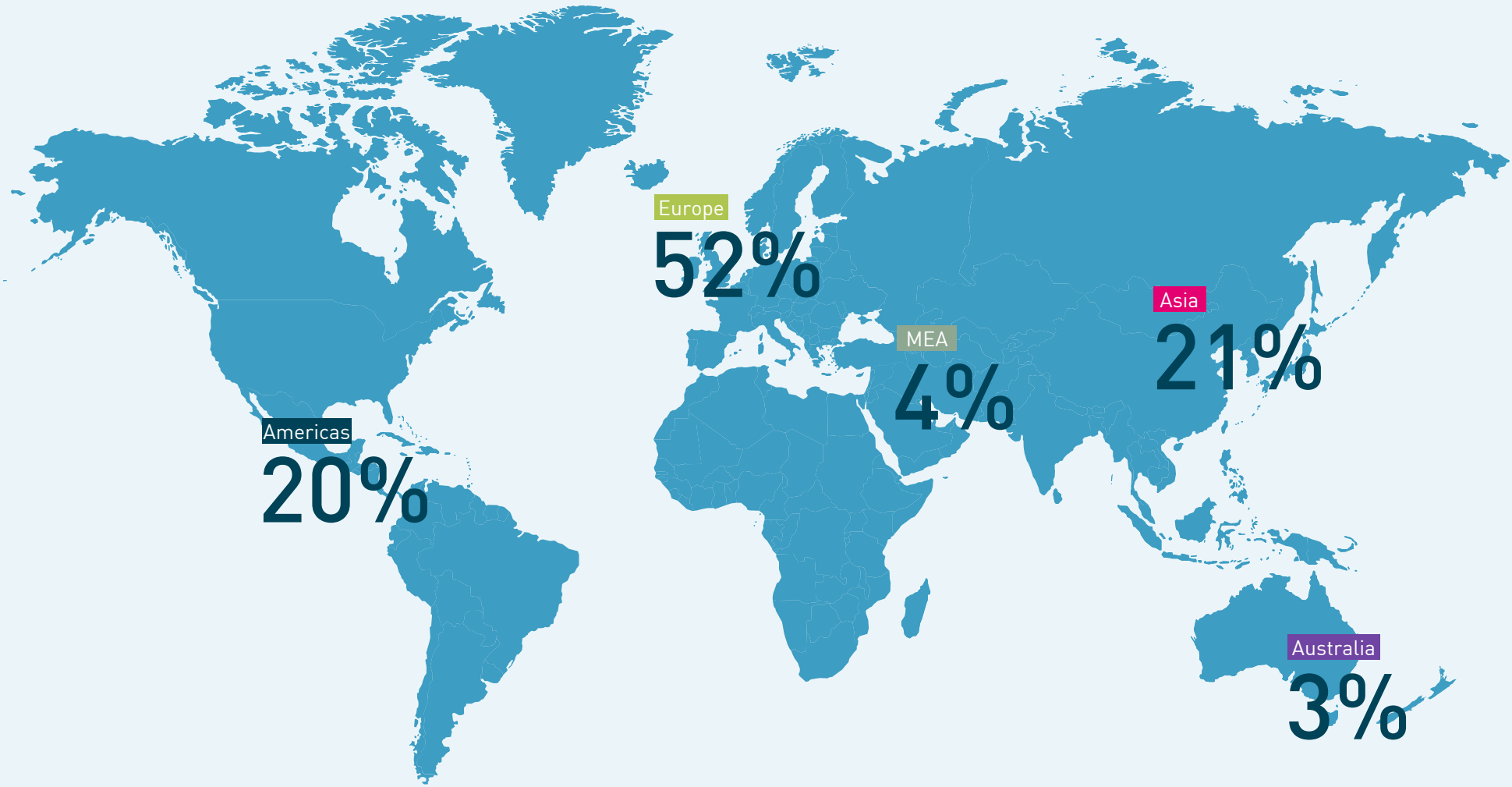
Currency



Investor type



Debt distribution by region



Commercial paper



Euro Commercial Paper Program

€ 25 bln

- Dealers:
Barclays, BoAML, Citi, ING, UBS, Rabobank, BRED
- Minimum ticket
\$ 75 mln
equivalent

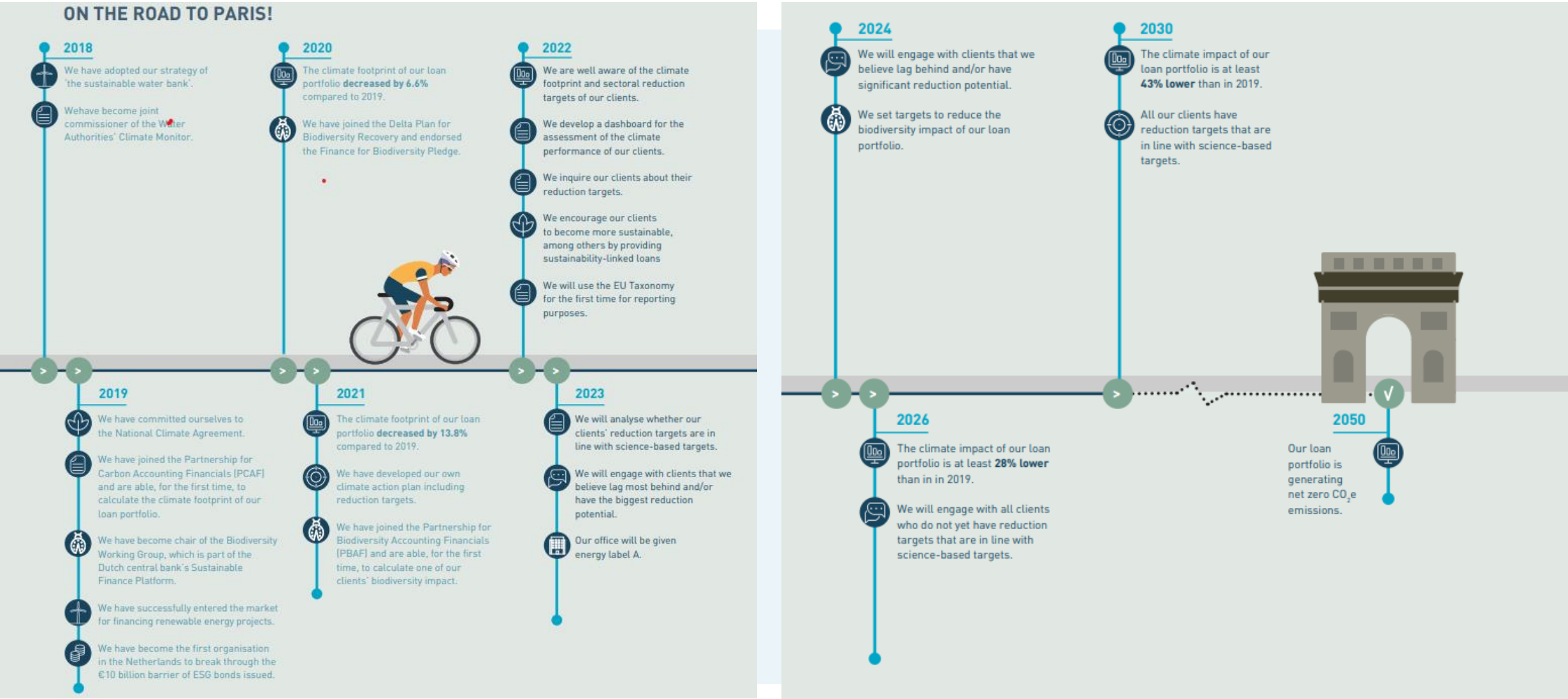


US Commercial Paper Program

\$ 25 bln

- Dealers:
Barclays, BoAML, Citi, JP Morgan, Rabo
- Minimum ticket
\$ 75 mln
equivalent
- Fixed or floating coupons

Climate action plan NWB Bank




Carbon footprint

NWB Bank is a member of the Partnership for Carbon Footprint Accounting Financials (PCAF). PCAF offers a methodology for reporting on CO₂ emissions in the loan book. The bank hopes to use this information to influence the environmental policy of its clients. End 2021 NWB Bank had its climate impact in scope for **94%** of its total lending portfolio:

Lending portfolio		Outstanding loans covered in € bln			Attributed emissions Kton CO2-eq			Emission intensity ton CO2 / € bln		
		2021	2020	2019	2021	2020	2019	2021	2020	2019
	Water authorities	7.2	6.5	6.3	292	327	372	40.7	50.2	58.8
	Social housing sector	30.3	30.8	30.2	693	753	841	22,8	24.5	27.9

ESG ratings NWB Bank

Ratings 	Agency:	Sustainalytics	Imug	ISS ESG	Vigeo Eiris
	NWB Bank	10	BB	B	57
Rating Scale		1-100	DDD-AAA	D-A+	1-100



Publicity



 **GlobalCapital**
The new EUROWEEK
SRI Awards
'Most Impressive Social Bond Issuer'



*GPIF and NWB Bank
launch initiative to
promote Green and
Sustainability Bonds*

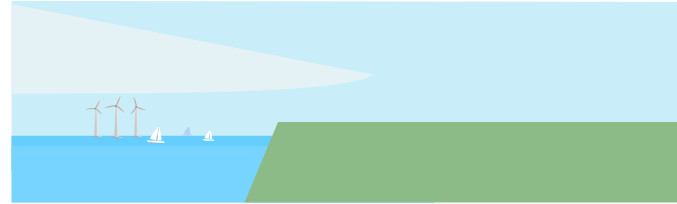
 Environmental
Finance
**Green Bond
Awards 2018
Winner**
**Nederlandse
WaterschapsBank**
Social bond of the year

SRI bond issues in time

Water Bond

NOW

2014 2015 2016 2017 2018 2019 2020 2021 2022 2023



Affordable Housing Bond

2017 2018 2019



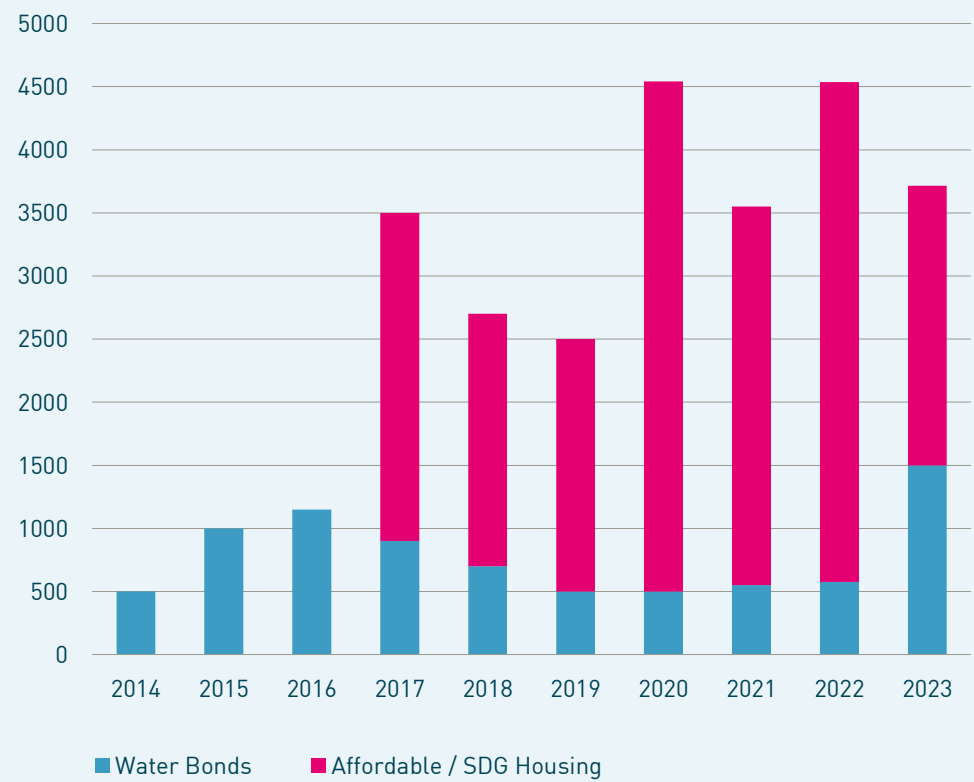
SDG Housing Bond

2019 2020 2021 2022 2023

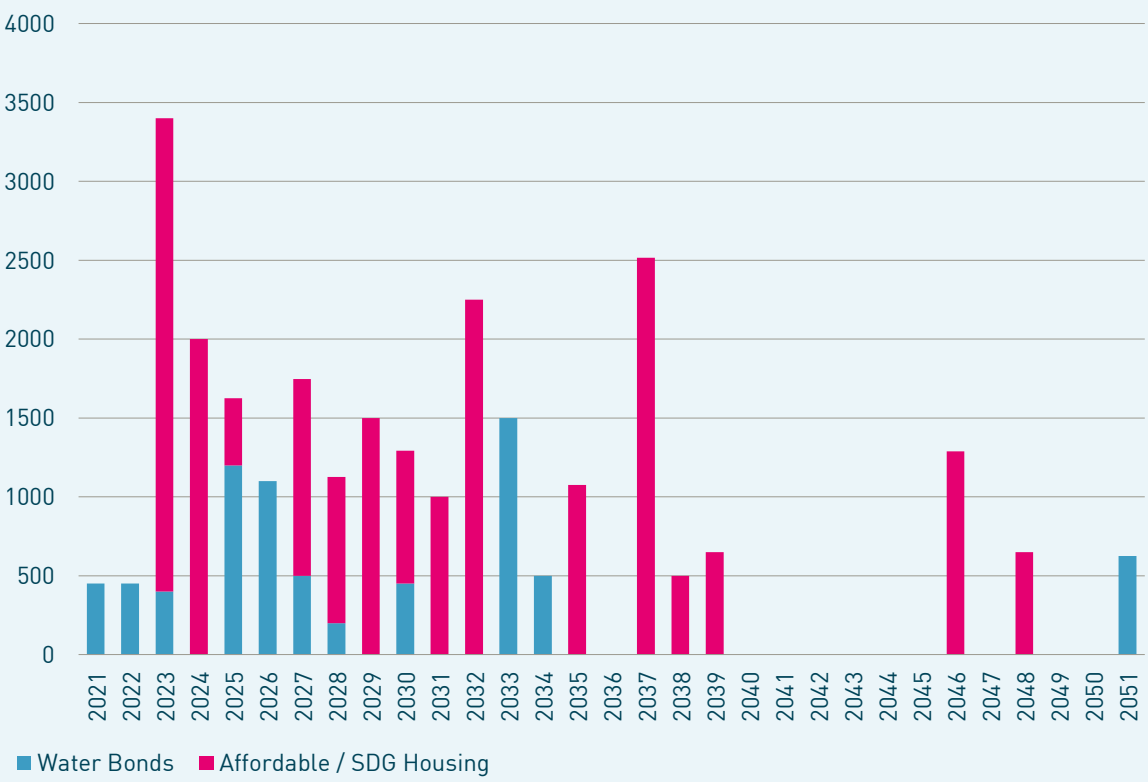


SRI bond issues NWB Bank > € 27 bln

Issuance SRI bonds



Maturities SRI bonds



Water Bonds

Water Bonds

- Use of proceeds is lending to the water authorities
- Green Bond Principles are leading
- 2nd Opinion by Cicero



°CICERO
Dark Green

Water authorities activities

- Mitigation of climate change (renewable energy)
- Adaptation to climate change (a.o.flood protection)
- Biodiversity projects ((waste)water management)



Water Bonds (Green Bonds)

Eligible criteria

The proceeds from NWB Bank's Water Bonds are being used to provide loans to the Dutch water authorities. The water authorities are Dutch governmental bodies responsible for flood protection, water management and water quality.



Eligible projects

Climate change mitigation / Renewable energy

- Energy recovery from waste water and extraction of phosphorus

Climate change adaptation

- Flood protection and other flood defenses
- Pumping stations

Biodiversity conservation / Water and wastewater management

- Sanitation and dredging of waterbeds
- Transport and cleaning of wastewater
- Disposal of sewage sludge

Water Bonds (Green Bonds): our impact



Climate change mitigation (2021)

% of sustainable energy in total energy consumption	117
Quantity of biogas produced (million of m ³)	144.5
Share of own production in total energy consumption	56.6

Climate change adaptation (2021)

Non-primary flood defenses that comply with the safety standard (km)	8,108
% of regions managed by water authorities that comply with flooding standards	99.6

Biodiversity conservation (2021)

% of quantity of substances eliminated from waste water:	
• Phosphates	86.9
• Nitrates	84.5
• Oxygen-binding substances	92.8
% of bathing water locations that comply with the European bathing water directive	94

Source: Dutch Water Authorities

SDG Housing Bonds (Sustainable Bonds)

Eligible criteria

A selected pool of loans funded, in whole or in part, by NWB that promote the social housing system in The Netherlands as determined by the guarantee fund (WSW), and that promote any of the selected UN SDG's as outlined in the framework.



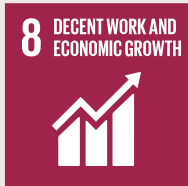
ONE THIRD OF SOCIAL HOUSING
IN THE NETHERLANDS IS
FINANCED BY NWB BANK

Eligible projects (2023)

- 80% of the social housing lettings must be given to households with a maximum income of € 44,035 per annum.
- Rents are capped at € 808.06 per month
- A maximum of 7.5% of the yearly social lettings may be allocated freely to specific priority groups.



SDG Housing Bonds (Sustainable Bonds): our impact



Deliver adequate homes

Homes owned and managed approximately by social housing providers **2.3 million**

Manage an affordable housingstock

The average net housing cost ratio (2021) is **33%**

Provide housing to vulnerable groups

Number of tenants that are single parents with at least one child (aproximately 85% of these are single mothers) **85%**

Maintain an adequate housing quality

Annual expenditures in maintenance and improvements in 2021 **9.1 billion**

Contribute to livable communities & neighborhood quality

Average per dwelling spent on community services and other neighbourhood improvements **117**

Take responsible environment and energy measures

Energy performance of the social housing stock (2021-2022) **3%**

Responsible local partnerships

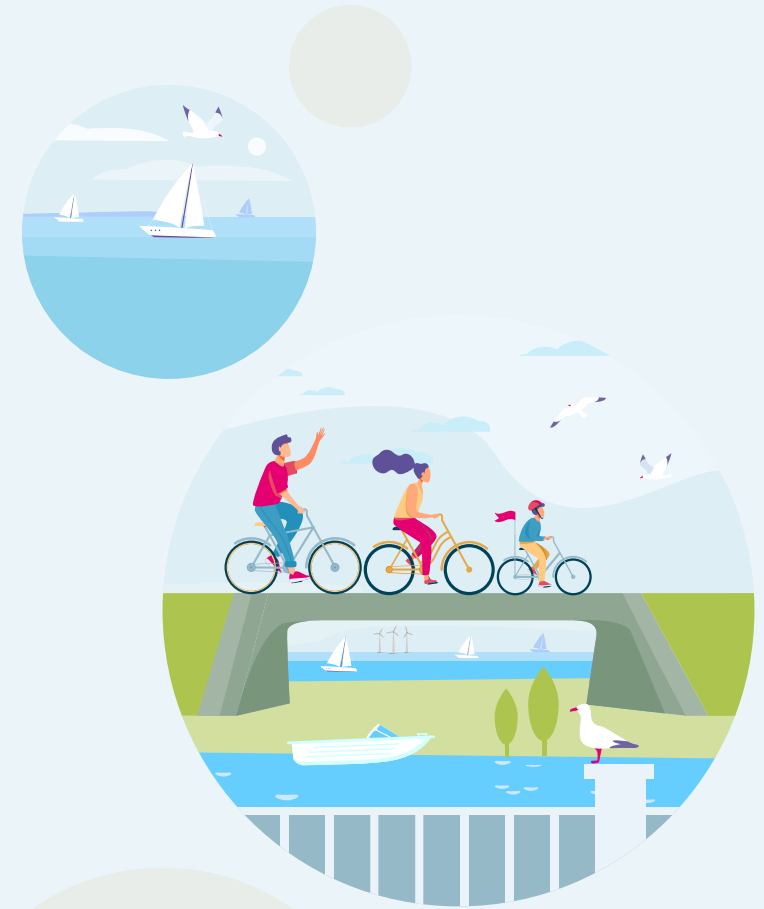
Local performance agreements with local authorities & tenant associations (2020) **705**

New framework: SDG Housing Bond

								
 Deliver adequate dwellings	●	●			●	●	●	●
Manage affordable housing	●	●		●		●	●	
Housing vulnerable groups	●	●	●			●	●	
Quality of adequate housing		●				●	●	
Livable communities	●	●			●	●	●	●
Environment & energy	●	●		●	●	●	●	
Local partnerships	●	●	●				●	●

Added value NWB Bank to SRI Investors

- Earmarked lending activities
- Solid frameworks with sound second party opinions
- Liquid volumes of SRI bonds
- High sustainability ratings
- Extensive investor relations work together with experts social housing and water authorities
- Annual impact reporting
- Frequent issuance SRI bonds (>33% of annual long term funding)
- Annual reporting on the carbon footprint of the bank



Take away NWB Bank

- Funding vehicle for the Dutch public sector
- AAA/Aaa by S&P / Moody's
- Credit risk similar to Dutch government
- 100% owned by Dutch government
- Assets 0% risk-weighted and implied AAA
- One-sided liquidity, always a bid in the market
- Bonds are HQLA and on PSPP buy list ECB
- Tier 1 ratio around 40%
- Annual green and sustainable bond issuance



Thank you