NWB BANK

Pillar 3 Full Year Disclosure

2022

CONTENTS

PILLAR 3 FULL YEAR DISCLOSURE 2022

PRUDENTIAL DISCLOSURES ON ESG RISKS

ANNEX III - CAPITAL INSTRUMENTS' MAIN FEATURES TEMPLATE

PILLAR 3 FULL YEAR DISCLOSURE 2022

INTRODUCTION AND BASIS FOR PREPARATION

The international prudential regulatory framework for banks is based on a comprehensive set of measures developed by the Basel Committee on Banking Supervision (known as Basel III). Basel III has been implemented in the European Union through a Capital Requirements Directive (CRD) and a Capital Requirements Regulation (CRR). The Basel framework (and thus CRD/CRR) is based upon three pillars:

- The first pillar consists of minimum capital requirements for three main categories of risk: credit risk, market risk and operational risk;
- The second pillar provides a framework for banks to review their capital (and liquidity) adequacy for both the risks identified in Pillar 1 as well as all other risks (e.g. concentration risk, strategic risk, etc.). This internal review by banks is known as the Internal Capital/ Liquidity Adequacy Assessment Process (ICAAP/ ILAAP). Supervisors independently assess these processes in their Supervisory Review and Evaluation Process (SREP);
- The third pillar aims to introduce market discipline to complement the capital and liquidity requirements from the first and second pillar. Therefore, Basel III (CRD/ CRR) contains a set of disclosure requirements which will allow market participants to have sufficient understanding of a bank's activities, the risks that are involved and the controls that are implemented to manage these risks.

This Pillar III Disclosure Report 2022 relates to the third pillar and provides a comprehensive overview of the risk profile of NWB Bank. The Report discloses information on the capital adequacy of Nederlandse Waterschapsbank N.V. (NWB Bank) as specified in Part 8 of EU Capital Requirements Regulation (575/2013), amended by CRR II regulation (2019/876) in compliance with the commision implementing regulations, delegated regulations and guidelines issues by EBA for publishing disclosures.

In 2020, EBA published final implementing technical standard on public disclosures based on the mandate included in Article 434a of CRR II to specify uniform disclosure formats and associated instructions. These disclosure requirements (EU 2021/637) apply from 28 June 2021 onwards and this Report has been prepared in accordance with updated regulation.

The Articles mentioned at the start of each chapter and in the table of contents, correspond with the Articles of the Main Act (EU/2021/637) that was adopted by the European Commission and which lays down down the implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council. Information or templates identified as not applicable to NWB Bank have not been included in this Report.

From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. In accordance with the EBA Implementing Technical Standards (ITS) on prudential disclosures on ESG risks , NWB Bank has disclosed such ESG risks information the Report.

The Pillar 3 disclosure framework seeks to promote transparency and market discipline through regulatory disclosure requirements. Most of the Pillar 3 disclosure items are reported in NWB Bank's report 2022 which was published on 31 March 2023 and has been audited by Ernst & Young Accountants LLP. The information in this Report has not been audited.

ARTICLE 1: KEY METRICS AND OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS

EU OVC- INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The internal capital adequacy assessment process is explained in the annual report. Changes to the regulation of banks' capital adequacy (CRR II and CRD V) were applied as of end of June 2021. NWB Bank's Common Equity Tier 1 (CET1) ratio was 38.3% at year-end 2022 (year-end 2021: 38.0%). Including the hybrid capital (AT1) raised by the bank in 2015 and 2016, the capital as at 31 December 2022 amounted to €2,155 million, resulting in a Tier 1 ratio of 45.0% (year-end 2021: 44.9%). Further information is set out below at EU OV1 Overview of total risk exposure amounts.

The leverage ratio as at 31 December 2022 was 18.9% and comfortably exceeds the 3% requirement according to CRR II applicable as of 28 June 2021. Until 1 April 2022, the ECB allowed a temporary relief in the context of the COVID-19 pandemic, with deposits at central banks being excluded from the calculation. CRR II allows us, as a promotional bank, to exclude our lending to the public sector when calculating the leverage ratio. Because we excluded the position on the central bank from the calculation until 1 April 2022, a recalibration of the requirement has taken place until that date.

At 417%, the average Liquidity Coverage Ratio at the end of December was well above the minimum requirement of 100%. The Net Stable Funding Ratio at the end of December amounted to 141% (minimum 100%).

EU KM1 - KEY METRICS

(x EUR 1,000)		a	b	c	d	e
		31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,834,637	1,834,440	1,835,388	1,831,577	1,762,584
2	Tier 1 capital	2,155,137	2,154,940	2,155,888	2,152,077	2,083,084
3	Total capital	2,155,137	2,154,940	2,155,888	2,152,077	2,083,084
	Risk-weighted exposure amounts					
4	Total risk exposure amount	4,791,984	5,176,479	5,102,491	5,099,855	4,641,988
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	38.29%	35.44%	35.97%	35.91%	37.97%
6	Tier 1 ratio (%)	44.97%	41.63%	42.25%	42.20%	44.87%
7	Total capital ratio (%)	44.97%	41.63%	42.25%	42.20%	44.87%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	2.00%	2.00%	2.00%	2.25%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.13%	1.13%	1.27%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50%	1.50%	1.50%	1.50%	1.69%
EU 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	10.25%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-		-	-	-
9	Institution specific countercyclical capital buffer (%)	0.08%	0.00%	-	-	-
EU 9a	Systemic risk buffer (%)	-		-	-	-

(x EUR 1,000)		a	b	c	d	e
		31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
10	Global Systemically Important Institution buffer (%)	-		-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-		-	-	-
11	Combined buffer requirement (%)	2.58%	2.50%	2.50%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	12.58%	12.50%	12.50%	12.50%	12.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	32.66%	29.81%	30.35%	30.29%	32.20%
	Leverage ratio					
13	Total exposure measure	11,428,293	25,895,513	27,084,439	4,124,208	3,917,242
14	Leverage ratio (%)	18.86%	8.32%	7.96%	52.18%	53.18%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	-		-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	9.03%	9.30%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	3.00%	3.00%	3.00%	9.03%	9.30%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	9.03%	9.30%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	24,285,766	24,357,819	23,835,770	23,220,105	23,097,760
EU 16a	Cash outflows - Total weighted value	10,942,904	11,151,004	12,240,772	13,032,503	13,147,212
EU 16b	Cash inflows - Total weighted value	3,962,112	3,706,523	3,579,702	2,963,780	2,037,019
16	Total net cash outflows (adjusted value)	6,972,358	7,444,481	8,661,071	10,068,723	11,110,192
17	Liquidity coverage ratio (%)	417.41%	400.83%	329.81%	241.27%	214.94%
	Net Stable Funding Ratio					
18	Total available stable funding	53,020,389	60,956,706	68,038,803	75,060,615	74,289,507
19	Total required stable funding	37,713,604	37,729,973	45,119,516	51,450,635	56,013,369
20	NSFR ratio (%)	140.59%	161.56%	150.80%	145.89%	132.63%

EU OV1 - OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

At 28 June 2021, the Banking Package has come into effect. The Banking Package is a revision of the Capital Requirements Directive (CRD), the Capital Requirements Regulation (CRR), the Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism Regulation (SRMR).

EU OV1 - OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

(x EUR 1,000)		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31 Dec 2022	30 Sep 2022	31 Dec 2022
1	Credit risk (excluding CCR)	2,044,365	1,973,022	163,549
2	Of which the standardised approach	2,044,365	1,973,022	163,549
3	Of which the Foundation IRB (F-IRB) approach			-
4	Of which slotting approach			-
EU 4a	Of which equities under the simple riskweighted approach			-
5	Of which the Advanced IRB (A-IRB) approach			-
6	Counterparty credit risk - CCR	2,055,891	2,509,101	164,471
7	Of which the standardised approach	718,431	911,102	57,474
8	Of which internal model method (IMM)			-
EU 8a	Of which exposures to a CCP	2,368	2,988	189
EU 8b	Of which credit valuation adjustment - CVA	1,335,092	1,595,010	106,807
9	Of which other CCR			-
10	Not applicable			-
11	Not applicable			-
12	Not applicable			-
13	Not applicable			-
14	Not applicable			-
15	Settlement risk			-
16	Securitisation exposures in the non-trading book (after the cap)	298,848	301,476	23,908
17	Of which SEC-IRBA approach			-
18	Of which SEC-ERBA (including IAA)			-
19	Of which SEC-SA approach	298,848	301,476	23,908
EU 19a	Of which 1250% / deduction			-

(x EUR 1,000)		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31 Dec 2022	30 Sep 2022	31 Dec 2022
20	Position, foreign exchange and commodities risks (Market risk)			-
21	Of which the standardised approach			-
22	Of which IMA			-
EU 22a	Large exposures			-
23	Operational risk	392,880	392,880	31,430
EU 23a	Of which basic indicator approach			-
EU 23b	Of which standardised approach	392,880	392,880	31,430
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**4,791,984**	**5,176,479**	**383,359**

ARTICLE 2: RISK MANAGEMENT OBJECTIVES AND POLICIES

TABLE EU OVA - INSTITUTION RISK MANAGEMENT APPROACH

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

RISK MANAGEMENT FRAMEWORK

We have organised risk management according to the following risk management framework. This framework brings together various elements that play a role in our bank's risk management.

Risk types

Financial risks include credit risk, interest rate risk, market risk and liquidity risk. The only non-financial risk is operational risk (see Article 16). Other risks include strategic risk, ESG risk (Environmental, Social and Governance) and reputation risk. We try to continuously improve our understanding and management of the risks.

RISK MANAGEMENT FRAMEWORK

Framework

- **Strategy**
- **Risk Appetite Framework**
- **Risk Governance**
Risk Appetite Statement
Risk Materiality Assessment

Risk types

Strategic risk

Financial risk				Non-Financial risk
Credit risk	**Interest rate risk**	**Market risk**	**Liquidity risk**	**Operational risk**
- Credit default risk - Credit migration risk - Counterparty credit risk - CVA risk - Settlement risk - Credit concentration risk	- Gap risk - Basis risk - Option risk - Credit spread risk from non-trading book activities - Refinancing risk	- FX risk	- Funding liquidity risk - Market liquidity risk	- People risk - Physical security & safety risk - Business continuity risk - Transaction processing risk - Technology risk - Regulatory compliance risk **Integrity risk** - Fraud risk - Conduct risk - Financial crime risk - Cyber & Information security risk - Third party risk - Legal risk - Financial, regulatory reporting & tax risk - Data management risk - Model risk

which interact with **ESG risk**

and/or could result in **Reputational risk**

Internal governance

Credit Committee	**Asset & Liability Committee**	**NFR Committee**	**Model Committee**
Credit Committee Charter	ALCO Charter	NFRC Charter	Model Committee Charter

Assessments

ICAAP	**ILAAP**	**ICAAP & ILAAP**
ICAAP Policy		ICAAP Policy

Recovery Plan	**Business Continuity Plan**
Recovery Playbook Recovery Runbook	

Credit risk

We define credit risk as the potential impact on earnings/ capital due to a deterioration in the creditworthiness of debtors/counterparties. Our risk appetite for this risk is low. Credit risk is divided into the following sub-types:

Subtype	Definition
Credit default risk	Possible impact on profit/capitalization of borrowers not meeting their obligations.
Credit migration risk	Possible impact on profit/capitalization of a credit migration event based on internal/external ratings of a borrower or guarantor.
Counterparty credit risk	The risk that a counterparty to a transaction defaults before the final settlement of the transaction's cash flows.
CVA risk	The risk of mark-to-market losses in Credit Valuation Adjustments (CVA) on bilateral derivative transactions.
Settlement risk	The risk that, in settling a transaction, a counterparty fails to meet its obligations while NWB Bank meets its own obligation.
Credit concentration risk	The risk of significant credit losses stemming from a concentration of exposures to a small group of borrowers, to a set of borrowers with similar default behavior or to highly correlated financial assets.

Our policy is to maintain the very high creditworthiness of our loan portfolio. We only grant loans to clients in, guaranteed by or otherwise sponsored by Dutch public sector. This mainly concerns loans to governments or loans guaranteed by local governments. In addition to local governments, our clients are primarily housing associations, healthcare institutions, drinking water companies, sustainability projects and we finance public-private partnership projects in which the government acts as a principal. We also grant loans to university medical centres and regional network operators.

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

In 2022, we further strengthened our policy regarding individual client assessments and the monitoring of solvency-free loans. Decisions on the granting of risk weighted loans, in particular, are made in the Credit Committee based on a credit proposal from the Specialised Finance department and an independent risk assessment from the Risk Management department.

As in all previous years, we did not experience a credit loss in 2022. Due to both the public nature and related solvency of the vast majority of our bank's credit relationships, the credit risk of the loan portfolio is limited. This is also reflected in our robust capital ratios.

We use derivatives to manage interest rate and currency risk. To minimise the counterparty credit risk of these derivatives, we only transact with counterparties with at least a single-A rating. This applies if these derivatives are not centrally cleared. We have also put restrictions in place to limit the risk per counterparty with respect to derivatives.

We make agreements with counterparties within the framework of the International Swaps and Derivatives Association (ISDA). These agreements concern at least ISDA schedules, and Credit Support Annexes for which, on the one hand, netting agreements are applicable, and on the other hand (CSAs), by which the derivatives are hedged. For the most part, these CSAs are without any thresholds and with a daily exchange of mainly cash as collateral. The remaining counterparty risk relates mainly to an uncollateralised exposure of €120 million arising from long-term derivative contracts and related CSA.

Interest rate risk

We define interest rate risk as the current or prospective risk to both the earnings and the economic value of an institution arising from adverse movements in interest rates that affect interest rate sensitive instruments. This risk is also referred to as Interest Rate Risk in the Banking Book (IRRBB). Our risk appetite for this risk is medium. Interest rate risk is subdivided into the following subtypes:

Subtype	Definition
Gap risk	Risk resulting from the term structure of interest rate sensitive instruments that arises from differences in the timing of their rate changes, covering changes to the term structure of interest rates occurring consistently across the yield curve (parallel risk) or differentially by period (non-parallel risk).
Basis risk	Risk arising from the impact of relative changes in interest rates on interest rate sensitive instruments that have similar tenors but are priced using different interest rate indices. Basis risk arises from the imperfect correlation in the adjustment of the rates earned and paid on different interest rate sensitive instruments with otherwise similar rate change characteristics.
Option risk	Risk arising from options (embedded and explicit), where the institution or its customer can alter the level and timing of their cash flows, namely the risk arising from interest rate sensitive instruments where the holder will almost certainly exercise the option if it is in their financial interest to do so (embedded or explicit automatic options) and the risk arising from flexibility embedded implicitly or within the terms of interest rate sensitive instruments, such that changes in interest rates may affect a change in the behaviour of the client (embedded behavioural option risk).
Credit spread risk from non-trading book activities (CSRBB)	The risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of credit-risky instruments inducing fluctuations in the price of credit risk, liquidity premium and other potential components, which is not explained by IRRBB or by expected credit/(jump-to-)default risk.
Refinancing risk	The risk that an increase in the cost of refinancing liabilities as they mature will not be offset by corresponding asset returns.

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

As a bank, we mantain a strategic interest rate risk position, aimed at realising the standard return on equity as agreed upon with our shareholders. This standard return is based on the yield of a 10-year rolling investment in a 10-year Dutch government bond, plus a surcharge appropriate to NWB Bank's risk profile. Our Fund Transfer Pricing model for pricing new lending is based on this standard return. The strategic interest rate position is determined on a quarterly basis, independent of any view on interest rates. The basis for calculating, monitoring and controlling interest rate risks sound policy, supplemented by a management system that takes into account the effective interest rate of the financial instruments. The Asset & Liability Committee (ALCO) determines the extent of the risks within the set frameworks. For management purposes, we use an interest rate gap analysis, risk measures such as (spread) DV01, Earnings at Risk and scenario analyses. We subsequently analyse the outcomes of positions taken using profit forecasts, interest margin analysis and performance analysis. This management information is also important for the decision-making processes and the monitoring by the ALCO.

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

Market risk

We define market risk as the risk of losses in 'on' or 'off' balance sheet positions resulting from an adverse movement in market prices. Our risk appetite for this risk is low. One subtype is recognised within market risk:

Subtype	Definition
FX risk	The possible impact on profit/capitalization due to changes in exchange rates. This incorporates the funding as well as the lending side.

Our policy is aimed at structurally covering exchange rate risks for both issued and withdrawn funds. Managing the currency risk is especially important for the funds that we have attracted. Partly in light of diversifying our funding, we largely attract funds in foreign currencies. The resulting currency risks are immediately covered in full by currency swaps.

Liquidity risk

We define liquidity risk in terms of the possible impact on profit/capitalization of not being able to meet liabilities as they fall due without incurring unacceptable losses. Our risk appetite for this risk is low. Two subtypes are recognised:

Subtype	Definition
Funding liquidity risk	The risk of the inability of NWB Bank to service her liabilities as they fall due. This risk alsoexplicitly covers concentration risk within liquidity (e.g. concentration in funding sources) as well as the liquidity risk arising from margin requirements (and movements therein).
Market liquidity risk	The risk of the inability of trading in the markets at a fair price with immediacy.

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

Operational risk

We define operational risk as the risk of loss resulting from inadequate or failed processes, losses caused by people and systems or external events. Our risk appetite for this risk is low. The following subtypes, in which integrity risk is embedded, are recognised:

Subtype	Definition
People risk	The risk of hampering staff knowledge and experience, staff availability and performance arising from inadequate staff management and/or losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/discrimination events.
Fraud risk	The risk of losses due to: a) Acts intended to defraud, misappropriate property or circumvent regulations, the law or company policy, which involves internal parties and/or third parties and/or b) Exceeding authority when entering into, approving or not reporting a transaction, or intentional mismarking of positions and/or c) Intentional damage to systems (hardware and/or software) by internal staff due to actions carried out or not carried out, theft of data.
Physical security & safety risk	The risk of loss of or damage to physical assets and/or people due to acts of malice, spite, terrorism or the like, with no profit intention, or from natural disaster or other events, such as accidents.
Business continuity risk	The risk of hampering availability/resilience of buildings, people, processes, systems, products, services due to natural disasters, power outages, terrorism, pandemic or other events and/or failures of IT planned availability and/or continuity solutions and/or disaster recovery (e.g. fallback recovery datacenter) when activated in response to an incident.
Transaction processing risk	The risk of losses from inaccurate, incomplete or untimely processing of transactions, resulting in a failure to effectively deliver payment processes and/or customer servicing processes.
Technology risk	The risk of losses arising from: a) Disruption of business or system failures (hardware failures, software failures and bugs, disruptive and destructive cyber-attacks) and/or b) Inadequate capacity management: resulting in an inability to scale the service to meet business needs, system interruptions, degradation of service and/or operational mistakes and/or c) Technological process failures in the domains operations, architecture, development, implementation
Conduct risk	The risk of losses due to events related to an unintentional or negligent failure to meet professional obligations to specific clients, and/or to the nature or design of a product and/or collusion and conflict of interest and/or improper business or market practices and/or to inappropriate governance structures and/or to inappropriate, unethical or unlawful behavior of management or employees (socially unacceptable behavior).

Subtype	Definition
Legal risk	Legal risk is the risk of loss or litigation resulting from exposure to non-compliance with and/or adverse interpretation of statutory responsibilities and/or contractual provisions or the unenforceability of the latter.
Financial crime risk	The risk of losses due to offences such as money laundering, financing of terrorism and circumvention of sanctions, corruption and bribery, market abuse (including insider trading) and tax evasion. This risk often stems from the failure to meet requirements to prevent and detect those offences. Factors such as products, channels, customers, countries, staff and third-parties can play a role for this risk.
Regulatory compliance risk	The risk of losses due to intentional or negligent failure to meet regulations, laws and other rules applicable to NWB's services / activities.
Third party risk	TThe risk of loss relating to suppliers, vendors and outsourcing parties. This risk amongst others stems from: a) Inadequate outsourcing governance and/or b)Inadequate (digital) resilience of third party services and/or c) Inadequate (digital) security of a third party.
Cyber & Information security risk	The risk of loss due to hampered information privacy, confidentiality, integrity, availability resulting from non-resilient (IT) security and/or Cyber-attacks.
Financial, regulatory reporting & tax risk	The risk of misstatements in reported (financial, regulatory) information and the risk that (to be) reported earnings of the bank change without a change in (economic) value of NWB Bank and the failure to comply with tax law in a timely, transparent and effective manner, resulting in fines (penalties), interest and legal costs imposed by tax authorities on taxes arising from the bank's operations.
Data management risk	The risk of loss or inadequate decisions resulting from the failure to effectively and efficiently govern data, manage data quality and/or data knowledge along the entire data lifecycle, including when data is acquired, created, processed, used, shared, accessed, retained and/or disposed.
Model risk	Potential loss NWB Bank may incur, as a consequence of decisions that could be principally based on the output of (internal) models, due to errors in the development, implementation or use of such models.

As we want to be a robust and sustainable bank serving the public sector, we have set our risk appetite for operational risks at a low level. Our internal organisation, processes and systems are designed to minimise to the greatest extent possible operational incidents and related losses.

Our bank's Operational Risk Management (ORM) is organised according to the Three Lines of Defence principle, with the first line responsible for managing the operational risks in our primary processes. The first line consists of the following departments: Treasury, Public Finance, Specialised Finance, Back Office, ICT, Legal & Corporate Affairs, Finance & Control and HR. The second line supports the first line to this end, ensuring the effectiveness of risk management by developing a framework, providing advice and monitoring. This second line consists of Compliance and Operational Risk Management, which, together with HR, reports to the Managing Board and the Non-Financial Risk Committee (NFRC).

ORM and Compliance manage the following instruments:

- Risk control self-assessments: every year, the first line conducts a self-assessment of the risks and effectiveness of processes and control measures; the systematic integrity risk analysis is integrated into this.
- Key risk indicators: indicators have been set up for various subcategories of operational risk in order to assess our risk management.
- Incident register and reporting: we register and report incidents to the Non-Financial Risk Committee, which discusses the incidents and possible measures to prevent similar incidents from occurring.
- Administrative organisation and internal control (AO/ IC): we have outlined the processes, risks and associated key controls in a Risk & Control Framework and review these annually. We aim to achieve continuous improvement and the first line is actively supervised in this regard.
- Non-financial risk report: we provide the NFRC and the management team with a comprehensive nonfinancial risk report

The Internal Audit Department (IAD) is the third line and performs an independent role within the bank. The IAD assesses the management of risks in the first and second lines related to our activities. In addition, the IAD gives advice on the structure and risk management of our bank.

Fraud assessment

We assess fraud risk as part of the operational risk framework. This assessment takes place in the context of the Systematic Integrity Risk Analysis (SIRA) based on risk scenarios. The fraud risk management measures were strengthened in 2022.

Product Approval and Review Process

The Product Approval and Review Process (PARP) is the procedure we undergo to decide whether to enter a new market, and/or to handle or distribute a new product, in terms of both our own business and risklevels, and those of our clients. In this process, we broadly assess aspects of transparency and risk management. We do not bring new products to market or enter new markets without carefully considering the risks and relevant aspects. Our Managing Board is responsible for the proper functioning of the product approval process. Each PARP also submitted to the Supervisory Board for information, and if there is a material impact on the bank's risk profile or result, it is submitted for approval. Based on the annual risk analysis, the IAD checks whether the process is effective and informs the Managing Board and the Supervisory Board about the results.

Information provision

To prevent failures in the provision of information, we continuously invest in improving our systems. Key words here are security, integrity, manageability and continuity. With a well-organised infrastructure and ICT organisation, and an optimal security of ICT components, we want to limit the consequences of possible operational failures as much as possible. To this end, we have adequate service and maintenance contracts for all hardware and software in use, and our ICT staff attends training activities and seminars, and we have contracts with external parties for back-up, recovery and fall-back options.

In the event of an emergency, we have an external location at which we can continue our core activities. Our bank's information security policy has been drawn up in accordance with the Cybersecurity Framework van National Institute of Standards and Technology (NIST) and complies with the internationally recognised ISO-27002 code for information security of the Royal Netherlands Standardization Institute NEN.

We have a fully integrated and reliable Management Information System (MIS). We monitor, validate and reconcile the data quality of the MIS with the financial administration. To minimise operational risks, we have fully automated all internal and external reporting. Adjustments to the system landscape and information provision are approved by the Change Advisory Board and implemented via a controlled change process.

We have outsourced our payment traffic for clients, as well as the related supporting ICT activities. This means that certain services take place outside the bank. Therefore, agreements have been made with service providers concerning management measures.

Compliance

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

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

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

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

In recent years we have further strengthened the compliance function and optimised a number of processes, including Customer Due Diligence and transaction monitoring.

Legal & Corporate Affairs

Like any other banking organisation, we run legal risks. Our bank's fundamental aim is to provide solid, highquality financial services. By using standard contracts wherever possible, we aim to limit the legal risks for both ourselves and our clients. To further reduce these risks, last year we further strengthened our loan documentation and drafted general credit terms and conditions. If necessary, we engage external advisors to address legal issues and assess transaction documentation.

Strategic risk

We define strategic risk as the risk of failing to achieve the business objectives. It might arise from the pursuit of unsuccessful business plan(s), from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment. Our risk appetite for this risk is low.

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

Environmental, Social and Governance (ESG) risk

ESG stands for Environmental, Social en Governance. We define ESG risk, including climate risk, as the risk of any negative impact on the capital position, profit, and/or the realization of the strategic objectives of the bank (including the sustainable development goals), stemming from ESG factors affecting the bank or its counterparties. These environmental, social and governance factors manifest themselves in financial or non-financial risks, such as credit, market, operational and liquidity risk. The concept of double materiality is part of this definition, which means that we not only consider the impact of ESG risks on the bank, but also explicitly consider the impact of our lending on people and the environment. Our risk appetite for these risks is low.

Governance

ESG risk management is integrated into our day-to-day risk management and lending processes. We embed all ESG risk management functions within the three lines of defence model. Responsibility for setting frameworks, policies and monitoring ESG risk management falls explicitly within the second line. The first line is responsible for analysis, customer due diligence and engagement, and monitoring of sustainability targets, reporting and disclosure. The third line conducts independent reviews and assessments. Decision-making on ESG risks takes place at Managing Board level and/or in existing risk committees, including the Credit Committee, the Asset & Liability Committee and the Non-Financial Risk Committee. The Sustainability Advisory Board focuses on providing strategic advice on various sustainability issues.

Materiality

Annually, NWB Bank conducts a materiality assessment and identifies material ESG risks for the bank. Workshops with experts and an identification process specifically focused on social and governance risks were part of the ESG risk identification and the materiality assessment in 2022. The risks were determined at the client and sector levels. The assessment used a bottom-up and top-down method by way of our strategy and business model. It also took into account 'natural hedges' in and between our client sectors and how these can mitigate the relevant ESG risks. As a result of the assessment, we anticipate a material impact of ESG factors on the following risk categories (over time): strategic risk, reputation risk, credit risk and interest rate risk.

By strategic risk, we mean the impact of ESG developments, including changing government policies and regulations, on the bank's business model and on the expectations of our stakeholders and society. Physical climate and environmental risks (e.g. floods and biodiversity loss) and E&S-related transition risks (e.g. housing sustainability) can have a material impact on the credit risk of some of our clients.

Risk management

We manage material ESG risks through the risk management cycle. This includes monitoring and quantifying ESG risks at sector level using key risk indicators. We also work on collecting ESG data, which we use to further quantify and monitor ESG risks. Based on this data, we have included ESG risks in the scorecards for the various client groups, which we use to determine a credit risk score for an individual client. Potential ESG risks are also explained and assessed in credit analyses and periodic reviews, which provide a qualitative picture of the client and its risks. We also include ESG risks in annual sector analyses. Finally, we use stress testing (within ICAAP) and scenario analysis to further investigate material ESG risks and their quantitative impact in the short, medium and (very) long term. The scenarios we use for our scenario analysis are based on the NGFS scenarios while for stress testing we use internally developed scenarios.

Reputational risk

Reputational risk is the risk of damage to NWB Bank's reputation as a result of any event. Reputational risk could arise from other risks inherent in an NWB Bank's activities. Reputational damage can be the effect of any event, which means that reputational risk must be managed in the context of other risks.

Reputational risk may result in a loss of our ability to meet our (strategic) objectives because we no longer meet the expectations of our clients, regulators, rating agencies, investors or other stakeholders. Our Managing Board is responsible for managing reputation risk. Our appetite for this risk is low as well.

Internal governance

NWB Bank's strategy places high demands on risk management and the design and maintenance of adequate internal controls. An organisation-wide approach is applied to risk management and control. The Managig board defines the risk management framework and, within this framework, the Asset & Liability Committee, Credit Committee and Non-Financial Risk Committee take decisions about the bank's risks. The Supervisory Board, and in particular its Risk Committee, evaluates the management of risks related to the carrying out of the bank's business. This is an important part of its supervisory task.

TABLE EU OVB - DISCLOSURE ON GOVERNANCE ARRANGEMENTS

Information on governance arrangements, including the number of directorships held by members of the management body, the recruitment policy for the selection of members of the management body and information about diversity, is described in the Governance chapter of NWB Bank's Annual Report. This Annual Report is available through **NWB Bank's website**.

ARTICLE 3: PRUDENT VALUATION

EU PV1: PRUDENT VALUATION ADJUSTMENTS 2022

Additional valuation adjustments (AVAs) are designed to ensure that institutions prudently value their fair-valued financial instruments. According to the CRR NWB is required to comply with prudential requirements on a individual basis.

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty				
	Category level AVA	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1	Market price uncertainty										
2	Not applicable										
3	Close-out cost										
4	Concentrated positions										
5	Early termination										
6	Model risk										
7	Operational risk										
8	Not applicable										
9	Not applicable										
10	Future administrative costs										
11	Not applicable										
12	**Total Additional Valuation Adjustments (AVAs)**								**593,226**		

ARTICLE 4: OWN FUNDS

EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS

At the end of the reporting period, NWB Bank's Common Equity Tier 1 (CET1) capital amounted to €1,852 million. Including the hybrid capital (AT1), the Tier 1 capital and therefore the total capital of the bank as at 31 December 2022 amounted to €2.2 billion. NWB Bank has no Tier 2 capital.

COMPOSITION OF REGULATORY OWN FUNDS - 31 DECEMBER 2022

		a	b
(x EUR 1,000)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	6,823	(h)
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	1,844,887	
3	Accumulated other comprehensive income (and other reserves)	13	
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,851,723**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(593)	
8	Intangible assets (net of related tax liability) (negative amount)	(8,354)	(a)minus (d)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	

(x EUR 1,000)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(8,139)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(17,086)	
29	**Common Equity Tier 1 (CET1) capital**	**1,834,637**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	320,500	(i)
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	320,500	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	320,500	
	Additional Tier 1 (AT1) capital: regulatory adjustments	**320,500**	
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	320,500	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
45	**Tier 1 capital (T1 = CET1 + AT1)**	**2,155,137**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts		-
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		-
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		-
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		-
49	of which: instruments issued by subsidiaries subject to phase out		-
50	Credit risk adjustments		-
51	**Tier 2 (T2) capital before regulatory adjustments**		-
	Tier 2 (T2) capital: regulatory adjustments		-
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		-
54a	Not applicable		-
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		-
56	Not applicable		-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		-
EU-56b	Other regulatory adjustments to T2 capital		-
57	**Total regulatory adjustments to Tier 2 (T2) capital**		-
58	**Tier 2 (T2) capital**		-
59	**Total capital (TC = T1 + T2)**	2,155,137	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
60	**Total Risk exposure amount**	**4,791,984**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	38.29%	
62	Tier 1 capital	44.97%	
63	Total capital	44.97%	
64	Institution CET1 overall capital requirements	8.20%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical capital buffer requirement	0.08%	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.13%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	32.7%	
	National minima (if different from Basel III)		
69	Not applicable		
70	Not applicable		
71	Not applicable		
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
	Applicable caps on the inclusion of provisions in Tier 2	-	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	545	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	38,300	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)	-	
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

COMPOSITION OF REGULATORY OWN FUNDS - 31 DECEMBER 2021

(x EUR 1,000)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	6,823	(h)
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	1,773,826	
3	Accumulated other comprehensive income (and other reserves)	2	
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,780,651**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(5,517)	
8	Intangible assets (net of related tax liability) (negative amount)	(6,497)	(a)minus (d)
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(6,453)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(18,067)	
29	**Common Equity Tier 1 (CET1) capital**	**1,762,584**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	320,500	(i)
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	320,500	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**320,500**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	

(x EUR 1,000)		a Amounts	b Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**320,500**	
44	**Additional Tier 1 (AT1) capital**	**320,500**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**2,083,084**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	-	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**		
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable	-	

(x EUR 1,000)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**-**	
59	**Total capital (TC = T1 + T2)**	**2,083,084**	
60	**Total Risk exposure amount**	**4,641,988**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	38.0%	
62	Tier 1 capital	44.9%	
63	Total capital	44.9%	
64	Institution CET1 overall capital requirements	2.5%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical capital buffer requirement	-	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	-	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	32.2%	
	National minima (if different from Basel III)		
69	Not applicable		
70	Not applicable		
71	Not applicable		

(x EUR 1,000)		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	1,036	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	39,376	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)	-	
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

(x EUR 1,000)		a Balance sheet as in published financial statements	b Under regulatory scope of consolidation	c Reference
		As at period end	As at period end	
	Assets - Breakdown by asset clases according to the balance sheet in the published financial statements			
1	Cash and cash balances at central banks	8,619,028	8,619,028	
2	Non-trading non-derivative financial assets measured at fair value to equity	685,733	685,733	
3	Non-trading debt instruments measured at a cost-based method	58,667,829	58,667,829	
4	Of which: Debt securities	3,626,669	3,626,669	
5	Of which: Loans and advances	55,041,160	55,041,160	
6	Derivatives – Hedge accounting	5,244,559	5,244,559	
7	Tangible assets	5,656	5,656	
8	Intangible assets	8,354	8,354	
9	other assets	53,364	53,364	
10	**Total assets**	**73,284,524**	**73,284,524**	
	Liabilities- Breakdown by liability clases according to the balance sheet in the published financial statements			
1	Non-trading non-derivative financial liabilities measured at a cost-based method	66,806,406	66,806,406	
2	Of which: Deposits	8,815,312	8,815,312	
3	Of which: Debt securities issued	57,991,094	57,991,094	
4	Derivatives – Hedge accounting	4,410,120	4,410,120	
5	Provisions	2,688	2,688	
6	Tax liabilities	17,328	17,328	
7	Other liabilities	53,029	53,029	
8				
9				
10	**Total liabilities**	**71,289,571**	**71,289,571**	

(x EUR 1,000)		a Balance sheet as in published financial statements As at period end	b Under regulatory scope of consolidation As at period end	c Reference
	Shareholders' equity			
1	Capital	6,823	6,823	
2	Retained earnings	1,844,898	1,844,898	
3	Revaluation reserves	2	2	
4	Profit or loss attributable to owners of the parent	143,230	143,230	
5				
6				
7				
8				
9				
10	**Total shareholders' equity**	**1,994,953**	**1,994,953**	
11	**Total liabilities and shareholders' equity**	**73,284,524**	**73,284,524**	

ARTICLE 5: COUNTER CYCLICAL CAPITAL BUFFERS

EU CCYB1 - GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER 2022

	(x EUR 1,000)	a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter cyclical buffer rate (%)
010	**Breakdown by country:**													
	United Kingdom	205,582	0	0	0	0	205,582	9,536	0	0	9,536	119,202	8%	1%
	France	5,770	0	0	0	0	5,770	462	0	0	462	5,770	8%	0
	Netherlands	2,155,097	0	0	0	298,848	2,453,945	166,756	0	23,908	190,664	2,084,451	9%	0
020	**Total**	**2,366,449**	**0**	**0**	**0**	**298,848**	**2,665,297**	**176,754**	**0**	**23,908**	**200,662**	**2,209,423**	**9%**	

EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTER CYCLICAL CAPITAL BUFFER 2022

	(x EUR 1,000)	a
1	Total risk exposure amount	4,791,984
2	Institution specific countercyclical capital buffer rate	0.08%
3	Institution specific countercyclical capital buffer requirement	3,696

ARTICLE 6: LEVERAGE RATIO

EU LR1 - LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

The leverage ratio requirement is part of the Capital Requirements Regulation (CRR). The ratio is defined as Tier 1 capital as a percentage of total assets of the bank. Since the applicability of CRR II (27 June 2021), NWB Bank, as a promotional bank, may exclude promotional loans in its total assets when calculating the leverage ratio. Until 1 April 2022, the ECB also allowed a temporary relief in the context of the COVID-19 pandemic, with deposits at central banks being excluded from the calculation. The ECB announced this on 17 September 2020 and extended the relief in June 2021 up to and including March 2022. Because of this, a recalibration of the requirement has taken place until 1 April 2022.

The leverage ratio as at 31 December 2022 was 18.9% and comfortably exceeds the requirement of 3% according to CRR II applicable as of 28 June 2021.

As at 31 December 2021, the leverage ratio stood at 53.2% taking into account the temporary exemption of central bank reserves in accordance with point (n) of Article 429a(1) CRR which exemption ceased to exist as per 1 April 2022.

EU LR1 - LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES
31 DECEMBER 2022

(x EUR 1,000)		a
		Applicable amount
1	Total assets as per published financial statements	73,284,524
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	(3,254,505)
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,179,599
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(60,781,325)
13	**Total exposure measure**	**11,428,293**

EU LR1 - LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES
31 DECEMBER 2021

(x EUR 1,000)		a
		Applicable amount
1	Total assets as per published financial statements	96,019,298
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	(10,628,206)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	(1,521,930)
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,315,167
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(82,267,086)
13	**Total exposure measure**	**3,917,243**

EU LR2 - LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

EU LR2 - LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

(x EUR 1,000)		a	b
		31 Dec 2022	31 Dec 2021
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	64,623,827	74,023,629
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)		
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	**64,623,827**	**74,023,629**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	816,393	1,266,705
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1,173,662	1,137,389
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivatives exposures**	1,990,055	2,404,094
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	**Total securities financing transaction exposures**		

(x EUR 1,000)		a 31 Dec 2022	b 31 Dec 2021
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	4,786,639	5,313,751
20	(Adjustments for conversion to credit equivalent amounts)	(2,607,040)	(2,998,585)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	2,179,599	2,315,167
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	(3,606,901)	(3,319,931)
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	(53,758,287)	(71,505,717)
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	**(Total exempted exposures)**	(57,365,188)	(74,825,648)
	Capital and total exposure measure		
23	**Tier 1 capital**	2,155,137	2,083,084
24	**Total exposure measure**	**11,428,293**	**3,917,242**
	Leverage ratio		
25	Leverage ratio (%)	18.86%	53.18%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	3.13%	2.65%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	18.86%	14.32%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	9.30%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	9.30%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-

(x EUR 1,000)		a 31 Dec 2022	b 31 Dec 2021
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11,428,293	3,917,242
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11,428,293	3,917,242
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	18.86%	53.18%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	18.86%	53.18%

EU LR3 - LRSPL: SPLIT-UP ON BALANCE SHEET EXPOSURES

CRR LEVERAGE RATIO EXPOSURE

(x EUR 1,000)		a	a
		31 Dec 2022	31 Dec 2021
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**9,436,863**	**74,023,633**
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	9,436,863	74,023,633
EU-4	Covered bonds	568,206	600,196
EU-5	Exposures treated as sovereigns	8,782,566	69,607,045
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	-	366,993
EU-7	Institutions	76,188	235,015
EU-8	Secured by mortgages of immovable properties	-	
EU-9	Retail exposures	-	
EU-10	Corporates	-	1,900,055
EU-11	Exposures in default	-	
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	9,903	1,314,329

EU LRA - DISCLOSURE OF LR QUALITATIVE INFORMATION

Information on the factors that impact on the the leverage ratio, is described in the Report of the Managing Board and the Notes to the Financial Statements in the Annual Report. This Annual Report is available through **NWB Bank's website.**

ARTICLE 7: LIQUIDITY REQUIREMENTS

EU LIQA: LIQUIDITY RISK MANAGEMENT

Is part of Article 2 risk management objectives and policies.

EU LIQB: QUALITATIVE INFORMATION ON LCR

In 2015, the Liquidity Coverage Ratio (LCR) was introduced as part of CRR/CRD IV. The LCR is an indicator that shows whether there are sufficient liquid assets to absorb a 30-day period of stress. At 285%, the Liquidity Coverage Ratio at the end of December 2022 was well above the minimum requirement of 100% (year-end 2021: 183%). The EU LIQ1 template shows averages for all elements in the LCR over the past 12 months. The calculation of these averages are now based on the EBA mapping between technical standards on Pillar 3 disclosures and technical standards on supervisory reporting.

Disclosures of liquidity risk management are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report is available through NWB Bank's website.

EU LIQ1: QUANTITATIVE INFORMATION OF LCR - 31 DECEMBER 2022

SCOPE OF CONSOLIDATION: (SOLO) (x EUR 1,000)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022[1]
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					24,285,766	24,357,819	23,835,770	23,220,105
	CASH - OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:								
3	*Stable deposits*								
4	*Less stable deposits*								
5	Unsecured wholesale funding	7,493,606	6,591,521	6,564,429	6,455,875	7,219,411	6,371,928	6,399,129	6,248,132
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*								
7	*Non-operational deposits (all counterparties)*	*456,992*	*365,987*	*275,500*	*346,239*	*182,797*	*146,395*	*110,200*	*138,496*
8	*Unsecured debt*	*7,036,614*	*6,225,534*	*6,288,929*	*6,109,636*	*7,036,614*	*6,225,534*	*6,288,929*	*6,109,636*
9	*Secured wholesale funding*					*79,575*	*66,312*	*66,312*	*53,050*
10	Additional requirements	6,905,417	8,030,303	8,909,345	9,653,272	3,642,624	4,711,469	5,774,036	6,731,187
11	*Outflows related to derivative exposures and other collateral requirements*	*3,280,092*	*4,342,709*	*5,425,669*	*6,406,511*	*3,280,092*	*4,342,709*	*5,425,669*	*6,406,511*
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*	*3,625,325*	*3,687,594*	*3,483,676*	*3,246,761*	*362,533*	*368,759*	*348,368*	*324,676*
14	Other contractual funding obligations	1,295	1,295	1,295	134	1,295	1,295	1,295	134
15	Other contingent funding obligations								
16	**TOTAL CASH OUTFLOWS**					**10,942,904**	**11,151,004**	**12,240,772**	**13,032,503**

SCOPE OF CONSOLIDATION: (SOLO) (x EUR 1,000)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	7,560	5,960	4,848	3,902	7,560	5,960	4,848	3,902
18	Inflows from fully performing exposures	4,009,354	3,778,233	3,682,964	3,103,033	3,762,988	3,516,813	3,419,336	2,828,107
19	Other cash inflows	191,563	183,750	155,518	131,771	191,563	183,750	155,518	131,771
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	**4,208,477**	**3,967,943**	**3,843,330**	**3,238,706**	**3,962,112**	**3,706,523**	**3,579,702**	**2,963,780**
EU-20a	*Fully exempt inflows*								
EU-20b	*Inflows subject to 90% cap*								
EU-20c	*Inflows subject to 75% cap*	*4,208,477*	*3,967,943*	*3,843,330*	*3,238,706*	*3,962,112*	*3,238,706*	*3,579,702*	*2,963,780*
	TOTAL ADJUSTED VALUE								
EU-21	**Liquidity buffer**					**24,285,766**	**24,357,819**	**23,835,770**	**23,220,105**
22	**Total net cash outflows**					**6,972,358**	**7,444,481**	**8,661,071**	**10,068,723**
23	**Liquidity coverage ratio (%)**					**417.41%**	**400.83%**	**329.81%**	**241.27%**

1) NWB reports semi-annually

EU LIQ2 : NET STABLE FUNDING RATIO

The Net Stable Funding Ratio (NSFR) is part of CRR II. The NSFR is also a liquidity ratio and aims to determine to what degree long-term assets are financed by more stable forms of funding. NWB Bank's NSFR at the end of December 2022 amounted to 141% (year-end 2021: 133%, minimum 100%). The values in the template are based on the EBA mapping between technical standards on Pillar 3 disclosures and technical standards on supervisory reporting.

Disclosures of liquidity risk management are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report is available through NWB Bank's website.

31 DECEMBER 2022

	(x EUR 1,000)	a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
	Available stable funding (ASF) Items					
1	Capital items and instruments	2,161,668				2,161,668
2	*Own funds*	*2,161,668*				*2,161,668*
3	*Other capital instruments*					
4	Retail deposits					
5	*Stable deposits*					
6	*Less stable deposits*					
7	Wholesale funding:		11,806,645	2,124,055	49,563,663	50,847,970
8	*Operational deposits*		*217,287*			*108,644*
9	*Other wholesale funding*		*11,589,358*	*2,124,055*	*49,563,663*	*50,739,327*
10	Interdependent liabilities					
11	Other liabilities:				10,751	10,751
12	*NSFR derivative liabilities*					
13	*All other liabilities and capital instruments not included in the above categories*				*10,751*	*10,751*
14	**Total available stable funding (ASF)**					**53,020,389**
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					6,231
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes		261,537			130,769
17	Performing loans and securities:		771,846	461,628	52,070,676	35,366,009
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					

(x EUR 1,000)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*				*343,412*	*343,412*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*771,846*	*461,628*	*49,734,946*	*33,329,127*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*771,846*	*458,143*	*47,811,571*	*31,692,516*
22	*Performing residential mortgages, of which:*					
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*					
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*				*1,992,317*	*1,693,470*
25	Interdependent assets					
26	Other assets:		12,353,349		941,913	1,971,263
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				*935,219*	*794,936*
29	*NSFR derivative assets*		*583,482*			*583,482*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*11,769,866*			*588,493*
31	*All other assets not included in the above categories*				*6,694*	*4,351*
32	Off-balance sheet items		3,734,734	185,129	866,776	239,332
33	**Total RSF**					**37,713,604**
34	**Net Stable Funding Ratio (%)**					**140.59%**

ARTICLE 8: EXPOSURES TO CREDIT RISK, DILUTION RISK AND CREDIT QUALITY

EU CR1-A: MATURITY OF EXPOSURES

31 DECEMBER 2022

		a	b	c	d	e	f
(x EUR 1,000)		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances		1,294,518	4,330,116	45,754,937	3,661,590	55,041,160
2	Debt securities		263,811	943,864	3,104,727	-	4,312,402
3	**Total**	**-**	**1,558,329**	**5,273,980**	**48,859,664**	**3,661,590**	**59,353,563**

EU CR2: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES

31 DECEMBER 2022

		a
(x EUR 1,000)		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	956
020	Inflows to non-performing portfolios	21,612
030	Outflows from non-performing portfolios	(15,874)
040	Outflows due to write-offs	
050	Outflow due to other situations	(15,874)
060	**Final stock of non-performing loans and advances**	**6,694**

EU CR2-A: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES AND RELATED NET ACCUMULATED RECOVERIES

		a	b
(x EUR 1,000)		Gross carrying amount	Related net accumulated recoveries
010	Initial stock of non-performing loans and advances	956	
020	Inflows to non-performing portfolios	21,612	
030	Outflows from non-performing portfolios	(15,874)	
040	Outflow to performing portfolio		
050	Outflow due to loan repayment, partial or total		
060	Outflow due to collateral liquidations		
070	Outflow due to taking possession of collateral		
080	Outflow due to sale of instruments		
090	Outflow due to risk transfers		
100	Outflows due to write-offs		
110	Outflow due to other situations	(15,874)	
120	Outflow due to reclassification as held for sale		
130	**Final stock of non-performing loans and advances**	6,694	

EU CR1 : PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

Definitions for accounting purposes of "past due" and "impaired"

Past due is a loan payment that has not been made as of its due date. A borrower which is past due may be subject to penalty interest.

NWB Bank uses the option to apply the 'expected credit loss impairment methodology' of IFRS 9. Given the risk profile of NWB Bank's counterparties, until 2020, there was no provision for uncollectible receivables in the incurred loss model. Under IFRS 9, NWB Bank recognises a provision for expected credit loss (ECL) for each customer with an outstanding exposure. A provision is also taken for expected losses on loan commitments and financial guarantee contracts, so-called off-balance sheet positions. It should be noted that the majority of the bank's exposures are (local) government guaranteed. As a result, there is limited credit risk.

The ECL methodology used by the bank consists of a scoring and rating model, a macro-economic model, models for Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), and scenarios (macro-economic forecasts). Each of these components is used to calculate the final ECL provision.

Exposures with payment arrears of 90 days or more fall under Stage 3 and are classified as default. However, Stage 3 also includes exposures that are identified as credit-impaired in line with the internally applied definition of default. Therefore, this also includes exposures that are forborne non-performing. If a client defaults, all exposures to that client are moved to Stage 3 and classified as credit-impaired.

31 DECEMBER 2022

(x EUR 1,000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
			Performing exposures		Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accum-ulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	8,619,028	8,619,028													
010	Loans and advances	55,035,011	54,574,578	460,434	6,694			(545)	(545)						36,592,937	6,694
020	*Central banks*															
030	*General governments*	*48,722,208*	*48,273,065*	*449,144*	*6,694*			*(63)*	*(63)*						*35,446,857*	*6,694*
040	*Credit institutions*	*3,507,664*	*3,507,664*												*194,950*	
050	*Other financial corporations*	*296,845*	*296,845*												*200,053*	
060	*Non-financial corporations*	*2,508,293*	*2,497,004*	*11,290*				*(482)*	*(482)*						*751,076*	
070	*Of which SMEs*															
080	*Households*															
090	Debt securities	4,312,417	4,312,417					(14)	(14)						91,807	
100	*Central banks*															
110	*General governments*	*1,771,350*	*1,771,350*												*79,298*	

(x EUR 1,000)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures		Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
120 Credit institutions	*548,735*													*12,508*	
130 Other financial corporations	*1,992,332*	*1,992,332*					*(14)*	*(14)*							
140 Non-financial corporations															
150 Off-balance-sheet exposures	4,786,639	4,490,479	296,160			-									
160 Central banks															
170 General governments	*4,074,853*	*3,778,693*	*296,160*			-									
180 Credit institutions	*12,132*	*12,132*													
190 Other financial corporations	*129,897*	*129,897*													
200 Non-financial corporations	*569,757*	*569,757*													
210 Households															
220 Total	**72,753,095**	**71,996,502**	**756,594**	**6,694**	**-**		**(559)**	**(559)**	**-**	**-**		**-**	**-**	**36,684,743**	**6,694**

31 DECEMBER 2021

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
(x EUR 1,000)		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	10,628,492	10,628,492													
010	Loans and advances	76,670,636	75,028,871	1,641,765	956		956	(1,036)	(526)	(510)					50,466,489	956
020	*Central banks*															
030	*General governments*	*66,268,083*	*64,673,838*	*1,594,245*	*956*		*956*	*(105)*	*(105)*						*49,383,130*	*956*
040	*Credit institutions*	*6,408,020*	*6,408,020*												*166,940*	
050	*Other financial corporations*	*1,332,281*	*1,332,281*					*(0)*	*(0)*						*131,656*	
060	*Non-financial corporations*	*2,662,252*	*2,614,732*	*47,520*				*(930)*	*(421)*	*(510)*					*784,764*	
070	*Of which SMEs*															
080	*Households*															
090	Debt securities	4,759,743	4,759,743					(7)	(7)						395,395	
100	*Central banks*															
110	*General governments*	*2,784,537*	*2,784,537*												*395,395*	

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
(x EUR 1,000)		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
120	*Credit institutions*	*668,386*	*668,386*					-	-							
130	*Other financial corporations*	*1,306,820*	*1,306,820*					*(7)*	*(7)*							
140	*Non-financial corporations*															
150	Off-balance-sheet exposures	5,313,751	5,249,200	64,552	-		-									
160	*Central banks*															
170	*General governments*	*3,744,119*	*3,721,119*	*23,000*	-		-									
180	*Credit institutions*	*15,691*	*15,691*													
190	*Other financial corporations*	*557,869*	*557,869*													
200	*Non-financial corporations*	*996,072*	*954,520*													
210	*Households*															
220	**Total**	**97,372,622**	**95,666,306**	**1,706,317**	**956**	**-**	**956**	**(1,043)**	**(534)**	**(510)**	**-**	**-**	**-**	**-**	**50,861,885**	**956**

EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

31 DECEMBER 2022

		a	b	c	d	e	f	g	h
(x EUR 1,000)		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits								
010	Loans and advances	-	755					755	
020	*Central banks*								
030	*General governments*	-	755					755	
040	*Credit institutions*								
050	*Other financial corporations*								
060	*Non-financial corporations*								
070	*Households*								
080	Debt Securities								
090	Loan commitments given								
100	**Total**	**-**	**755**	**-**	**-**	**-**	**-**	**755**	**-**

31 DECEMBER 2021

(x EUR 1,000)		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits								
010	Loans and advances	-	956					956	
020	*Central banks*								
030	*General governments*	-	956					956	
040	*Credit institutions*								
050	*Other financial corporations*								
060	*Non-financial corporations*								
070	*Households*								
080	Debt Securities								
090	Loan commitments given								
100	**Total**	-	956	-	-	-	-	956	-

EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DATES (31 DECEMBER 2022)

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
(x EUR 1,000)			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	**8,619,028**	**8,619,028**										
010	Loans and advances	55,035,011	55,035,011		6,694	6,694							6,694
020	Central banks												
030	General governments	48,722,208	48,722,208		6,694	6,694							6,694
040	Credit institutions	3,507,664	3,507,664										
050	Other financial corporations	296,845	296,845										
060	Non-financial corporations	2,508,293	2,508,293										
070	Of which SMEs												
080	Households												
090	Debt securities	4,312,417	4,312,417										
100	Central banks												
110	General governments	1,771,350	1,771,350										
120	Credit institutions	548,735	548,735										
130	Other financial corporations	1,992,332	1,992,332										

(x EUR 1,000)	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
140 Non-financial corporations												
150 Off-balance-sheet exposures	4,786,639											
160 Central banks												
170 General governments	4,074,853											
180 Credit institutions	12,132											
190 Other financial corporations	129,897											
200 Non-financial corporations	569,757											
210 Households												
220 Total	**72,753,095**	**67,966,456**	**-**	**6,694**	**6,694**	**-**	**-**	**-**	**-**	**-**	**-**	**6,694**

EU CQ4 : QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

The overview shows the exposures to the Netherlands. Exposures to all other countries are reported under 'Other countries'.

31 DECEMBER 2022

(x EUR 1,000)		a	b	c	d	e	f	g
		Gross carrying/nominal amount					Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing					
				Of which defaulted	Of which subject to impairment	Accumulated impairment		
010	**On-balance-sheet exposures**	**59,354,122**	**6,694**	**6,694**	**58,668,388**	**(559)**		
020	Netherlands	56,530,393	6,694	6,694	55,993,782	(559)		
030	Country 2							
040	Country 3							
050	Country 4							
060	Country N							
070	Other countries	2,823,729			2,674,606			
080	**Off-balance-sheet exposures**	**4,786,639**	**-**	**-**	**-**	**-**		
090	Netherlands	4,786,639	-	-				
100	Country 2							
110	Country 3							
120	Country 4							
130	Country N							
140	Other countries	-						
150	**Total**	**64,140,761**	**6,694**	**6,694**	**58,668,388**	**(559)**	**-**	**-**

EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

31 DECEMBER 2022

		a	b	c	d	e	f
(x EUR 1,000)		Gross carrying amount					
			Of which non-performing				
				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	124,549			124,549	(1)	
020	Mining and quarrying						
030	Manufacturing						
040	Electricity, gas, steam and air conditioning supply	876,045			876,045	(219)	
050	Water supply	1,052,944			1,052,944	(102)	
060	Construction						
070	Wholesale and retail trade						
080	Transport and storage						
090	Accommodation and food service activities						
100	Information and communication						
110	Financial and insurance actvities						
120	Real estate activities						
130	Professional, scientific and technical activities						
140	Administrative and support service activities	454,755			454,755	(160)	
150	Public administration and defense, compulsory social security						
160	Education						
170	Human health services and social work activities						
180	Arts, entertainment and recreation						
190	Other services						
200	**Total**	**2,508,293**	**-**	**-**	**2,508,293**	**(482)**	**-**

EU CRA: GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK

Disclosures of risk management objectives and policies about credit risk, are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report is available through NWB Bank's website.

EU CR.B: ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS

Disclosures about the credit quality of assets are described in the paragraphs Provision for Uncollectible Receivables and the paragraph Impairment of Loans and Receivables and Interest-bearing Securities of the chapter General Notes to the Financial Statements in the Annual Report. This Annual Report is available through NWB Bank's website.

ARTICLE 9: USE OF CREDIT RISK MITIGATION TECHNIQUES

EU CR3: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

Due to both the public nature and related solvency of the vast majority of our bank's credit relationships, the credit risk of the loan portfolio is limited. This is also reflected in our robust capital ratios. We use derivatives to manage interest rate and currency risk. To minimise the counterparty credit risk of these derivatives, we only transact with counterparties with at least a single-A rating. This applies to all derivatives that are not centrally cleared. We have also put restrictions in place to limit the risk per counterparty with respect to derivatives. We make agreements with counterparties within the framework of the International Swaps and Derivatives Association (ISDA).

These agreements concern at least ISDA schedules, and CSAs for which, on the one hand, netting agreements are applicable, and on the other hand Credit Support Annexes (CSAs), by which the derivatives are hedged. For the most part, these CSAs are without any thresholds and with a daily exchange of mainly cash as collateral.

Disclosures of risk management objectives and policies about credit risk and the mitigation techniques are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report is available through NWB Bank's website.

EU CR3: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES 31 DECEMBER 2022

		a	b	c	d	e
(x EUR 1,000)		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
1	Loans and advances	27,060,558	36,599,630		36,599,630	
2	Debt securities	4,220,596	91,807		91,807	
3	**Total**	**31,281,154**	**36,691,437**	**-**	**36,691,437**	**-**
4	*Of which non-performing exposures*		6,694		6,694	
EU-5	*Of which defaulted*					

ARTICLE 10: DISCLOSURE OF THE USE OF CREDIT RISK STANDARDISED APPROACH

EU CR4 : STANDARDISED APPROACH CREDIT RISK EXPOSURE AND CRM EFFECTS

This table shows on- and off balance sheet exposures by exposure class before and after the application of conversion factors and any associated credit risk mitigation. It also shows the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure.

More qualitative information regarding Expected Credit Loss and the credit risk management of the bank can be found in sections 32 and 35 of the 'Other notes to the Financial Statements' in the Annual Report.

CREDIT RISK EXPOSURE AND CRM EFFECTS - 31 DECEMBER 2022

		a	b	c	d	e	f
(x EUR 1,000)		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	8,632,798	50,000	44,204,390	1,139,522	-	0.0%
2	Regional government or local authorities	14,577,722	1,278,937	15,412,896	628,586	-	0.0%
3	Public sector entities	35,871,068	2,745,916	358,627	145,225	100,770	20.0%
4	Multilateral development banks	12,124		12,124		-	0.0%
5	International organisations	19,768		19,768		-	0.0%
6	Institutions	432,109	142,029	258,775	21,956	74,896	26.7%
7	Corporates	2,507,811	569,757	1,786,821	244,310	1,801,975	88.7%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds	568,206		568,206		56,821	10.0%
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity						
16	Other items	9,903		9,903		9,903	100.0%
17	**Total**	**62,631,509**	**4,786,639**	**62,631,510**	**2,179,599**	**2,044,365**	**3.2%**

CREDIT RISK EXPOSURE AND CRM EFFECTS - 31 DECEMBER 2021

		a	b	c	d	e	f
(x EUR 1,000)		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
1	Central governments or central banks	10,712,668	50,000	60,326,713	1,155,859	-	0.0%
2	Regional government or local authorities	18,488,099	1,117,008	19,526,774	559,888	-	0.0%
3	Public sector entities	50,126,447	2,577,111	366,993	119,600	97,319	20.0%
4	Multilateral development banks	12,945	-	12,945	-	-	0.0%
5	International organisations	368,819	-	368,819	-	-	0.0%
6	Institutions	367,014	250,080	235,015	80,700	94,513	29.9%
7	Corporates	2,661,322	1,000,652	1,900,055	366,989	1,995,869	88.0%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds	600,196	-	600,196	-	60,020	10.0%
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity						
16	Other items	7,513	600	7,513	300	7,813	100.0%
17	**Total**	**83,345,022**	**4,995,451**	**83,345,022**	**2,283,337**	**2,255,534**	**2.6%**

EU CR5: STANDARDISED APPROACH

This table shows exposure values after the application of conversion factors and any associated credit risk mitigation by exposure classes and risk weight. Most of NWB Bank's lending comes under the category of a 0% risk weighting, which means the credit risk is considered limited.

EU CR5: STANDARDISED APPROACH - 31 DECEMBER 2022

(x EUR 1,000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk weight																
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which unrated
1	Central governments or central banks	45,343,911				-											45,343,911	
2	Regional government or local authorities	16,041,482															16,041,482	
3	Public sector entities					503,852											503,852	
4	Multilateral development banks	12,124															12,124	
5	International organisations	19,768															19,768	
6	Institutions		61,044			57,692		161,995									280,731	
7	Corporates										2,031,131						2,031,131	
8	Retail exposures																-	
9	Exposures secured by mortgages on immovable property																-	
10	Exposures in default																-	
11	Exposures associated with particularly high risk																-	
12	Covered bonds				568,206												568,206	
13	Exposures to institutions and corporates with a short-term credit assessment																-	
14	Units or shares in collective investment undertakings																-	
15	Equity exposures																-	
16	Other items										9,903						9,903	
17	**Total**	**61,417,285**	**61,044**	**-**	**568,206**	**561,544**	**-**	**161,995**	**-**	**-**	**2,041,034**	**-**	**-**	**-**	**-**	**-**	**64,811,108**	**-**

EU CR5: STANDARDISED APPROACH - 31 DECEMBER 2021

(x EUR 1,000)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Risk weight																
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which unrated
1	Central governments or central banks	61,482,572				-											61,482,572	
2	Regional government or local authorities	20,086,661															20,086,661	
3	Public sector entities					486,593											486,593	
4	Multilateral development banks	12,945															12,945	
5	International organisations	368,819															368,819	
6	Institutions		12,886			110,315		192,513				-					315,715	
7	Corporates										2,267,044						2,267,044	
8	Retail exposures																-	
9	Exposures secured by mortgages on immovable property																-	
10	Exposures in default																-	
11	Exposures associated with particularly high risk																-	
12	Covered bonds				600,196												600,196	
13	Exposures to institutions and corporates with a short-term credit assessment																-	
14	Units or shares in collective investment undertakings																-	
15	Equity exposures																-	
16	Other items										7,813						7,813	
17	**Total**	**81,950,998**	**12,886**	**-**	**600,196**	**596,908**	**-**	**192,513**	**-**	**-**	**2,274,857**	**-**	**-**	**-**	**-**	**-**	**85,628,359**	**-**

EU CRD: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO STANDARDISED APPROACH

The qualitive information is adressed in the Annual Report 2022.

ARTICLE 13: EXPOSURES TO COUNTERPARTY CREDIT RISK

EU CCRA: QUALITATIVE DISCLOSURE RELATED TO CCR

Counterparty Credit Risk (CCR) entails the possible impact on profit/capital due to counterparties not fulfilling their obligations in derivative transactions. To minimise the counterparty credit risk of these derivatives, we only transact with counterparties with at least a single-A rating. This applies to all derivatives that are not centrally cleared. We have also put restrictions in place to limit the risk per counterparty with respect to derivatives.

This table contains the exposure values before and after the effect of the credit risk mitigation and the associated risk exposure amounts broken down by applicable method. Due to the CRRII implementation, the Standardised Approach to Counterparty Credit Risk (SA-CCR) is applied.

Disclosures of counterparty credit risk management are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report and is available through NWB Bank's website.

EU CCR1: ANALYSIS OF CCR EXPOSURE BY APPROACH - 31 DECEMBER 2022

		a	b	c	d	e	f	g	h
(x EUR 1,000)		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)								
EU-2	EU - Simplified SA-CCR (for derivatives)								
1	SA-CCR (for derivatives)	583,138	753,748		1.4	4,743,982	1,336,886	1,871,640	718,431
2	IMM (for derivatives and SFTs)								
2a	*Of which securities financing transactions netting sets*								
2b	*Of which derivatives and long settlement transactions netting sets*								
2c	*Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)								
5	VaR for SFTs								
6	**Total**	**583,138**	**753,748**	**-**	**1.4**	**4,743,982**	**1,336,886**	**1,871,640**	**718,431**

EU CCR2: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

This table contains the exposure values after credit risk mitigation effects and the associated risk exposures for Credit Valuation Adjustment (CVA) capital charge.

EU CCR2: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK - 31 DECEMBER 2022

(x EUR 1,000)		a Exposure value	b RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	1,333,996	1,335,092
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	**1,333,996**	**1,335,092**

EU CCR2: TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK - 31 DECEMBER 2021

(x EUR 1,000)		a Exposure value	b RWEA
1	Total transactions subject to the Advanced method		
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	1,074,855	1,149,812
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**Total transactions subject to own funds requirements for CVA risk**	**1,074,855**	**1,149,812**

EU CCR3: STANDARDISED APPROACH - CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHT

This table shows classification of counterparty credit risk exposure value in exposure classes and risk weights after credit risk mitigation. As said, the introduction of the Standardised Approach to Counterparty Credit Risk (SA-CCR) has led to a significant increase in risk-weighted assets for counterparty credit risk and CVA.

EU CCR3: CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHT - 31 DECEMBER 2022

(x EUR 1,000)		a	b	c	d	e	f	g	h	i	j	k	l
		Risk weight											
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	288,955											288,955
2	Regional government or local authorities	26,337											26,337
3	Public sector entities												-
4	Multilateral development banks												-
5	International organisations												-
6	Institutions		118,414			304,787	485,160						908,361
7	Corporates					263,562	281,318			221,522			766,402
8	Retail												-
9	Institutions and corporates with a short-term credit assessment												-
10	Other items												-
11	**Total exposure value**	**315,292**	**118,414**	**-**	**-**	**568,349**	**766,478**	**-**	**-**	**221,522**	**-**	**-**	**1,990,055**

EU CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

EU CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (31 DECEMBER 2022)

	(x EUR 1,000)	a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency		**3,082,746**	**-**	**12,079,061**				
2	Cash – other currencies								
3	Domestic sovereign debt		373,004	116,143					
4	Other sovereign debt		401,348	240,829					
5	Government agency debt			156,762					
6	Corporate bonds			421,486					
7	Equity securities								
8	Other collateral								
9	**Total**	**-**	**3,857,098**	**935,220**	**12,079,061**	**-**	**-**	**-**	**-**

EU CCR6: CREDIT DERIVATIVES EXPOSURES

We do not report CCR6 because we do not have credit derivatives exposures.

EU CCR8: EXPOSURES TO CCPS

This table shows the exposure value to central counterparties and the associated risk exposures. NWB Bank only has exposures to Qualified CCPs.

EU CCR8: EXPOSURES TO CCPS - 31 DECEMBER 2022

(x EUR 1,000)		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**2,368**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	118,414	2,368
3	(i) OTC derivatives	118,414	2,368
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	935,219	
8	Non-segregated initial margin		
9	Prefunded default fund contributions		
10	Unfunded default fund contributions		
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) SFTs		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

ARTICLE 14: EXPOSURES TO SECURITISATION POSITIONS

EU-SECA: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO SECURITISATION EXPOSURES

In 2022, NWB Bank held notes of RMBS programmes from a Dutch originator in its portfolio (2021: one), secured by Dutch residential mortgage loans guaranteed by the NHG. For these notes, the bank only actively uses securitisation in its role as an investor, when it monitors the risks during the maturity and firmly intends to hold these NHG RMBS notes until the expected maturity date. As part of this, the bank started investing in pass-through NHG RMBS in 2020. With the investment in these notes, NWB Bank is helping the financing of government-guaranteed green residential mortgages. Credit risk is expressed in riskweighted assets based on the Standardised Approach to Securitisations as set out in Article 251 of the CRR, in which the ratings issued by S&P, Moody's or Fitch are used to indicate credit risk.

More qualitative information regarding the securitisation positions of the bank can be found in section 35 of the 'Other notes to the Financial Statements' in the Annual Report.

EU-SEC1 - SECURITISATION EXPOSURES IN THE NON-TRADING BOOK 2022 31 DECEMBER 2022

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
(x EUR 1,000)		Traditional				Synthetic		Subtotal	Traditional		Synthetic	Subtotal	Traditional		Synthetic	Subtotal
		STS		Non-STS												
			of which SRT		of which SRT		of which SRT		STS	Non-STS			STS	Non-STS		
1	**Total exposures**													**1,992,317**		**1,992,317**
2	Retail (total)													1,992,317		1,992,317
3	residential mortgage													1,992,317		1,992,317
4	credit card															
5	other retail exposures															
6	re-securitisation															
7	Wholesale (total)															
8	loans to corporates															
9	commercial mortgage															
10	lease and receivables															
11	other wholesale															
12	re-securitisation															

EU SEC4: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS

31 DECEMBER 2022

	(x EUR 1,000)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**1,992,317**							**1,992,317**				**298,848**				**23,908**	
2	Traditional securitisation	1,992,317							1,992,317				298,848				23,908	
3	Securitisation	1,992,317							1,992,317				298,848				23,908	
4	Retail underlying	1,992,317							1,992,317				298,848				23,908	
5	of which STS																	
6	Wholesale																	
7	of which STS																	
8	Re-securitisation																	
9	Synthetic securitisation																	
10	Securitisation																	
11	Retail underlying																	
12	Wholesale																	
13	Re-securitisation																	

ARTICLE 15: USE OF THE STANDARDISED APPROACH AND OF THE INTERNAL MODELS FOR MARKET RISK

EU MRA : Qualitative disclosure requirements related to market risk

Market risk concerns the bank's currency risks. Due to NWB Bank's stringent policy on currency risk, on balance, there are no outstanding currency positions. Therefore, the capital that is to be reserved to cover market risk is nil. Our policy is aimed at structurally covering exchange rate risks for both issued and withdrawn funds. Managing the currency risk is especially important for the funds that we have attracted. Partly in light of diversifying our funding, we largely attract funds in foreign currencies. The resulting currency risks are immediately covered in full by currency swaps. The bank does not hold trading book exposures.

Disclosures of market risk management are described in the paragraph Risk Management of the chapter Governance and section 35 of the Other Notes to the Financial Statements in the Annual Report. This Annual Report and the most up-to-date information is available through NWB Bank's website.

ARTICLE 16: OPERATIONAL RISK

EU ORA: QUALITATIVE INFORMATION ON OPERATIONAL RISK

We define operational risk as the risk of loss resulting from inadequate or failed processes, losses caused by people and systems or external events. Our risk appetite for this risk is low. Integrity risk is embedded in this risk. All relevant qualitative information about operational risk can be found in Table EU OVA within Article 2: Risk management objectives and policies.

EU OR1: OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

When calculating qualifying capital for operational risk, NWB Bank uses the standardised approach. Under this approach, 15% of the relevant indicator is taken as a benchmark for the operational risk. The relevant indicator is the three-year average of the total of the annual net interest income and the annual net non-interest income at the end of the financial year.

31 DECEMBER 2022

	(x EUR 1,000)	a	b	c	d	e
			Relevant indicator		Own funds requirements	Risk exposure amount
	Banking activities	2020	2021	2022		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	174,192	187,415	267,001	31,430	392,880
3	*Subject to TSA:*	174,192	187,415	267,001		
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

ARTICLE 16A INTEREST RATE RISK IN THE BANKING BOOK

EU IRRBA: DISCLOSURE OF EXPOSURES TO INTEREST RATE RISK ON POSITIONS NOT HELD IN THE TRADING BOOK

NWB Bank predominantly lends to public sector clients through a limited offering of products. Its clients mainly request financing with long maturities, which may go up to 50 years. The long maturities are generally aligned to the long-term public sector investments. NWB Bank borrows its funds exclusively through the debt capital markets and does not attract any retail deposits. NWB Bank generally provides fixed rate loans and borrows funds against a fixed coupon. As a result, NWB Bank is exposed to fluctuations in interest rates arising from the differences in the interest rates and tenors between loans provided (or securities bought) and funds borrowed (or securities issued). NWB Bank uses interest rate derivatives for both the loans provided and funds borrowed to manage IRRBB. NWB Bank primarily uses interest rate swaps to hedge its interest risk, and hedges the interest risk for almost all individual instruments on an individual basis as the timing, notional and tenors of individual loans provided and funds borrowed usually differ materially.

NWB Bank maintains a strategic interest rate risk position in order to achieve a result aimed at realising the target of return on equity agreed with the shareholders, i.e. the ten-year moving average yield on ten-year Dutch government bonds plus 200 basis points ('bps'), of which the 200 bps should primarily be achieved through the margin made on its loan portfolio.

NWB Bank uses several indicators to measure its exposure to IRRBB:

Gap analysis

NWB Bank uses 'gap analysis' to derive the duration profile of its IRRBB by allocating all relevant interest rate sensitive assets and liabilities to predefined time buckets according to the next contractual interest reset date or maturity date (whichever comes first). It measures the arithmetic difference (the gap) in absolute amounts between the amounts of assets and liabilities in each time bucket. The gap analysis method provides a visual impression of the interest rate risk dispersion relative to the repricing profile, reflecting NWB Bank's to parallel as well as non-parallel gap risk. It does not quantify this exposure in a single measure. NWB Bank uses gap analysis to report its exposure to parallel – and non-parallel gap risk with regards to both short-term and long-term exposures.

Earnings-based indicator

When using earnings-based measures, the focus for analysis is the impact of changes in interest rates on future accrued or reported earnings. NWB Bank uses 'Earnings at Risk ('EaR')' when measuring its vulnerabilities to IRRBB in the short-term and to assess its ability to generate stable earnings. NWB Bank's earnings are almost entirely related to (i) net interest income and (ii) fair value changes of interest rate sensitive instruments, recognized in results from financial transactions. In measuring its sensitivity, NWB Bank focuses only on net interest income. NWB Bank calculates EaR in order to measure the amount by which earnings will change in various future interest rate scenarios. The scenario outcomes are compared to a base scenario over a one and a two year horizon and are therefore a measure for the shorter-term interest rate risk. The measure does not take into account the effect of market value changes of instruments.

Economic value-based indicator

Under an economic value approach, the measure of IRRBB is the theoretical change in the net embedded market value of the whole banking book. NWB Bank uses 'Dollar Value of one basispoint ('DV01')' when measuring its vulnerabilities to both short- and long-term interest rate risk. DV01 is derived from cash flows of all interest rate sensitive instruments and measures the absolute change of the equity value resulting from a 1 basispoint (0.01%) parallel shift of the yield curve. In order to measure the sensitivity of non-parallel gap risk as well as parallel gap risk to its economic value, NWB Bank additionally uses 'Partial DV01', which similar in its nature as calculating DV01. Partial DV01 differs from DV01 as it does not shift the entire yield curve in parallel but only the yield curve segment corresponding to the time bucket. To capture the sensitivity of its aggregated interest rate risk exposure to its economic value, NWB Bank determines the 'Change in Economic Value of Equity ('Δ EVE'), which measures the change in the present value of asset cash flows, less the present value of liability cash flows, without including assumptions on the interest rate sensitivity of equity. In accordance with paragraph 82 of EBA's guidelines on the management of IRRBB, NWB Bank excludes margins and other spread components from this measure. To avoid the complexity of measuring total EV, NWB Bank focuses on measuring the level of change to the present value of its interest rate sensitive instruments under a number of interest rate shock scenarios. The relative change is a measure of the level of IRRBB.

The outcome of the EaR is within our risk appetite while the EVE outcome is within the boundaries of the outlier criterium.

EU IRRB1: INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES 2022

		a	b	c	d
(x EUR 1,000)		Changes of the economic value of equity		Change of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(190,503.0)	(273,090.0)	(3,432.4)	(8,868.8)
2	Parallel down	220,166.7	105,357.4	3,432.4	8,869.4
3	Steepener	(19,810.2)	(41,407.9)		
4	Flattener	(11,936.8)	(13,035.5)		
5	Short rates up	(68,921.6)	(96,076.0)		
6	Short rates down	72,944.1	65,701.6		

ARTICLE 17: REMUNERATION

EU REMA – REMUNERATION POLICY (31 DECEMBER 2022)

NWB Bank's remuneration policy reflects its social role as a bank of and for the public sector. The bank implements a moderate and sustainable remuneration policy that fits its strategy, low risk profile and risk appetite. As a result, NWB Bank's remuneration policy contributes to the realisation of the bank's long-term objectives aimed at long-term value creation. NWB Bank's policy is unambiguous and transparent and aims to attract and retain qualified and expert staff.

Managing Board remuneration policy

The remuneration policy applies to the statutory members of NWB Bank's Managing Board.

Fixed remuneration

The Managing Board's remuneration policy was revised at the Annual General Meeting in 2020. The decision was made during this meeting to abolish the variable remuneration of members of the Managing Board with retroactive effect from 1 January 2019. The maximum variable remuneration of 15% applicable at the time was converted to a fixed supplement of 11.1% on top of the fixed remuneration. This fixed supplement is not pensionable.

Under the remuneration policy, statutory members of the Managing Board appointed on or after 16 April 2020 may receive a maximum salary. Indexation of this maximum salary will take place annually in accordance with the structural salary adjustment, as stated in the Collective Labour Agreement for the Banking Sector. In formulating the 2020 remuneration policy, the Supervisory Board also weighed the opinions of the members of the Managing Board regarding the amount and structure of their remuneration. At the time, the members of the Managing Board indicated that they agreed with the proposed 2020 remuneration policy.

Variable remuneration

As mentioned above, the variable remuneration of members of the Managing Board has been abolished with retroactive effect from 1 January 2019. The variable remuneration of the members of the Managing Board under the policy until 1 January 2019 amounted to a maximum of 15% of the fixed remuneration. This variable remuneration had a deferred portion of 33%. The deferred portion is paid out in the fourth year after the year to which it relates, provided the previously agreed long-term targets have also been achieved. Therefore, the Supervisory Board has for the last time assessed the long-term targets of the Managing Board from 2018 in connection with whether or not the deferred component of the variable remuneration of statutory members of the Managing Board will be made payable (in full or in part).

Employee remuneration policy

The employee remuneration policy applies in full to all of NWB Bank's employees, irrespective of their positions or job scales. As an employer, NWB Bank applies the Collective Labour Agreement (CLA) for the Dutch banking industry. The fixed remuneration for NWB Bank's employees comprises 12 monthly salaries, 8% holiday allowance and a 13th month's salary payment. Indexation occurs in line with the structural salary adjustments laid down in the CLA for the banking industry. To compensate for the abolished variable remuneration, employees have been receiving an allowance of 10.745% in addition to their salaries since 1 January 2018. This allowance is not pensionable.

In 2020, the employee remuneration policy was evaluated. The new remuneration policy for employees incorporates the changes to the pension scheme as of 2020 and also extends the evaluation period for the policy from two to five years. This is in line with the five-yearly evaluation of the remuneration policy for the Management Board and Supervisory Board.

Supervisory Board remuneration

The remuneration of our Supervisory Board has no variable components or options plans. The remuneration policy is reviewed every five years.

More disclosure on the remuneration policies, responsible committees, governance processes, applied criteria and amounts involved are provided in the annual report as well as on NWB Bank's website (e.g. remuneration report).

EU REM1: REMUNERATION AWARDED FOR THE FINANCIAL YEAR 2022

NWB Bank no longer has variable remuneration.

(x EUR 1)			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	other identified staff
1	Fixed remuneration	Number of identified staff	**7**	**4**	**13**	
2		**Total fixed remuneration**	**190,000**	**981,000**	**1,699,532**	
3		Of which: cash-based				
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	Variable remuneration	**Number of identified staff**	**7**	**4**	**13**	
10		**Total variable remuneration**	**-**	**-**	**-**	
11		Of which: cash-based				
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration**		**190,000**	**981,000**	**1,699,532**	

EU REM2: SPECIAL PAYMENTS TO STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON THE RISK PROFILE 2022

NWB Bank has no variable remuneration.

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

EU REM3: DEFERRED REMUNERATION 2022

NWB Bank no longer has variable remuneration.

	Deferred and retained remuneration	a Deferred remuneration awarded for previous performance periods	b Of which due to vest in the financial year	c Of which vesting in subsequent financial years	d Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	e Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	f Total amount of adjustment during the financial year due to ex post implicit adjustments	EU - g Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	EU - h Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function	-							
8	Cash-based	-							
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								

		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
11	Other instruments								
12	Other forms								
13	Other senior management								
14	Cash-based								
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other identified staff								
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	Total amount								

EU REM4: REMUNERATION OF €1 MILLION OR MORE PER YEAR 2022

NWB Bank has no high earners.

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

EU REM5: INFORMATION ON REMUNERATION OF IDENTIFIED STAFF 2022

Identified staff: staff whose professional activities have a material impact on the institution's risk profile.

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
(x EUR 1)		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										24
2	Of which: members of the MB		4	4							
3	Of which: other senior management							5	5	3	
4	Of which: other identified staff	7		7							
5	**Total remuneration of identified staff**	**190,000**	**981,000**	**1,171,000**				**653,666**	**653,666**	**392,200**	
6	Of which: variable remuneration										
7	Of which: fixed remuneration	190,000	981,000	1,171,000				653,666	653,666	392,200	

ARTICLE 18: DISCLOSURE OF ENCUMBERED AND UNENCUMBERED ASSETS

EU AE1: EMCUMBERED AND UNENCUMBERED ASSETS

31 December 2022

(x EUR 1,000)		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**18,518,869**	**635,362**			**70,888,657**	**24,120,759**		
030	Equity instruments	-		-	-				
040	Debt securities	635,362	635,362	635,362	635,362	3,726,003	1,840,229	3,716,893	1,831,119
050	of which: covered bonds	448,655	448,655	448,655	448,655	90,964	90,964	90,964	90,964
060	of which: securitisations	-		-		1,814,962		1,814,962	
070	of which: issued by general governments	184,547	184,547	184,544	184,544	1,726,628	1,726,628	1,719,714	1,719,714
080	of which: issued by financial corporations	416,237	416,237	416,237	416,237	1,897,404	117,105	1,884,346	117,105
090	of which: issued by non-financial corporations	-		-	-		-	-	
120	Other assets	17,883,507				70,006,119	22,142,083		

EU AE2: COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED 2022

(x EUR 1,000)		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	398,863	398,863	652,141	652,141
140	Loans on demand		-		
150	Equity instruments		-		
160	Debt securities	398,863	398,863	652,141	652,141
170	of which: covered bonds				
180	of which: securitisations				
190	of which: issued by general governments				
200	of which: issued by financial corporations	398,863	398,863	652,141	652,141
210	of which: issued by non-financial corporations				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	Own debt securities issued other than own covered bonds or securitisations				
241	Own covered bonds and securitisations issued and not yet pledged				
250	**Total collateral received and own debt securities issued**	**18,739,246**	**881,048**		

EU AE3: SOURCES OF ENCUMBRANCE 2022

(x EUR 1,000)		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	13,178,484	18,730,945

EU AE4: ACCOMPANYING NARRATIVE INFORMATION 2022

The amounts are presented as the median of the four quarter end values of the reporting year. The median is calculated as the average of the two values in the middle of the order of four quarter end values. Encumbered assets are assets involving a pledge or claim and include loans deposited at the central bank for participation in the TLTRO (which was redeemed by NWB Bank in November 2022). Furthermore loans and debt securities are used as collateral for derivatives. These encumbered financial assets are not freely disposable to be able to meet funding- and liquidity needs in the short term.

PRUDENTIAL DISCLOSURES ON ESG RISKS

Environmental, Social and Governance (ESG) risk is classified in the NWB Bank risk taxonomy not as a stand-alone risk but a risk that interacts with traditional and non-traditional financial and non-financial risks, such as credit risk or strategic risk. We define ESG risk as the risk that ESG factors negatively affect the strategic goals, capital position and/or profit of the bank, while explicitly also recognizing the impact of our lending on people and the environment. This definition integrates the concept of double materiality because it does not consider merely the outside-in impact of ESG factors on the bank, but also the inside-out impact of our bank's business model on ESG factors.

QUALITATIVE INFORMATION ON ENVIRONMENTAL/SOCIAL/GOVERNANCE RISK

GENERAL

Environmental risk

Climate-related and environmental risks are commonly understood to comprise two main risk drivers:

- Physical risk refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore categorised as "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.
- Transition risk refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

Social and governance risks

Social risks are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of social factors (such as inequality, health or labour relations) on its counterparties or invested assets. Governance risks are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of governance factors (such as executive leadership or bribery and corruption) on its counterparties or invested assets. These risks generally relate to human rights and are largely based on the United Nations Guiding Principles on Business and Human rights and the UN Principles for Responsible Investment. NWB Bank performed a separate social and governance materiality assessment in 2022. The process is described in more detail on the next page. Because of this and the fact that concrete supervisory guidelines & standards are not yet available for the management of social and governance risks in banks, most of this policy will focus on and pertain to climate-related and environmental risks.

ESG RISK MANAGEMENT CYCLE

ESG risk materiality assessment

Annually, NWB Bank conducts a materiality assessment and identifies material ESG risks for the bank. In 2022 this risk identification and materiality assessment focused on financial materiality (outside-in impact) of environmental and social factors, supplemented with an identification process specifically focused on the (inside-out impact on) social and governance factors. We are currently working towards a more holistic approach, where we will assess the entire array of ESG risks from both an outside-in and inside-out perspective.

In the assessment, the impact of ESG risk drivers were assessed both via a top-down and sector approach, where the former assessed ESG risks that affect the NWB Bank strategy and business model and the latter looked at ESG risks that affect us through our loan portfolio. The assessment took a first step incorporating a double materiality approach by incorporating our financing of water authorities, and the subsequent contribution we make in protecting the Netherlands from floods and droughts and improving water quality, as an important mitigant to climate and environmental risks. Moreover, all ESG risks were assessed on a short (<3 year), medium (>5 year) and long (>10, >20 year) term horizon.

The assessment resulted in the following analysis:

	Transition Risk	Transition Risk	Transition Risk	Physical and Transition Risk
ESG factor	ESG developments, changing regulations, policies and stakeholder expectations regarding ESG issues	Violations within the financing chain and 'guilt by association'	Sentiments regarding physical events influencing sovereign rating and funding spread	Physical and environmental risks impacting sectors
Impacted risk types	Strategic risk	Reputational and liability risk	Interest rate (refinancing) risk	Credit risk
Time horizon	Medium & long term	Medium & long term	Medium & long term	Short, medium & long term
Mitigants	• Pro-active bank strategy; • Engagement with clients, shareholders and society; • ESG risk management; • Dialogue with the supervisor	• Pro-active bank strategy; • Engagement with clients, shareholders and society; • ESG risk management; • Dialogue with the supervisor	• Solid market and liquidity risk management; • Funding plan, strategy and scenario analyses; • Large HQLA; • C&E risks do not lead to a breach of LCR limit	• 'Natural hedges' in business model, including our financing of water authorities that mitigate flood and drought risk; • Diversified portfolio in the Netherlands; • Guarantee funds; • ESG in scorecards, risk appetite and active engagement with clients and sectors
Description impact	ESG developments and related expectations of stakeholders and the society could have an impact on the bank's business model. As a promotional bank we explicitly take a double materiality approach. The risk may also manifest in policy changes from governments and increasing supervisory expectations.	Violations within the 'financing chain' could result in reputational damage or fines. In a related manner, if at some point of time oranizations and governments are held accountable for a 'too little too late' approach to the sustainability transition and if NWB Bank fails to flag and mitigate this in a timely manner, NWB Bank could become involved via 'guilt by association'.	The views of a possible occurrence of physical and transitional risks (or actual physical events) in the coming decades and the associated costs could impact the sovereign rating of the Netherlands. A downgrade would impact the funding spread of the NWB Bank and could lead to interest rate and specifically refinancing risk.	Physical environmental risks (such as floods, drought, heat stress, biodiversity loss) and transition environmental and social risks (such as energy poverty and energy performance) potentially lead to increased investments and loss of value of collateral, specifically for the following sectors of our portfolio: social housing, water authorities, municipalities, health care and drinking water companies. This results in increased credit risk for NWB Bank.

Social and governance risk impact assessment

As stated before, the social and governance risk impact assessment was performed separately from the ESG risk materiality assessment, to cover the inside-out perspective. We are currently working towards a more holistic approach, where we will incorporate the two assessments. As the focus of regulators and stakeholders moves beyond the climate agenda, there is an increased attention towards companies' performance on human rights and good governance. According to the United Nations Guiding Principles UNGPs) and OECD guidelines, financial institutions are required to contribute to the advancement of human rights and proper governance through appropriate due diligence. Additionally to the ESG risk materiality assessment, then, which focused on the financial materiality of environmental and social risks for the NWB Bank, a separate social and governance impact assessment was performed in 2022. The assessment focused on the four most important sectors in the NWB Bank client portfolio, namely social housing, water authorities, municipalities and healthcare, and identified the most salient social and governance risks for these sectors. Saliency is defined as both the severity of a risk and the likelihood that it occurs. Below is an overview of the three most salient social and governance risks in our most significant client groups. As a financial institution, NWB Bank manages these risks through our engagement with clients, in which we stimulate a proper due diligence and risk management on the side of our clients, but also aim to manage these risks in collaboration with our clients.

RISKS AT NWB'S FOUR MOST SIGNIFICANT CLIENT GROUPS

HOUSING ASSOCIATIONS
1. Housing shortage
2. Equal opportunity
3. Climate change

WATER AUTHORITIES
1. Community health and safety
2. Climate change
3. Diversity

MUNICIPALITIES
1. Community engagement
2. Good governance
3. Climate change

HEALTHCARE INSTITUTIONS
1. Community health and safety
2. Access to healthcare
3. Good governance

Quantification and integration of material ESG risks

The materiality and impact of the ESG risks that were identified in the materiality assessment is further investigated, quantified and integrated through stress testing and scenario analyses, key risk indicators in our risk appetite statement and in client reviews and credit risk scorecards.

Stress testing and scenario analysis

The yearly, largely qualitative materiality assessment guides the risk management function and board of NWB Bank as to which areas of ESG risks to further investigate –quantitatively as well as qualitatively –via stress tests and scenario analyses. Stress testing investigates dependencies and impact on various risk types of ESG risks on a <3-year horizon, scenario analysis deals with a longer time horizon of >5, >10 or even >20 years. In this process, NWB Bank takes into account the full scope of potential environmental, social and governance risk drivers, with focus tilting towards the E and the S considering the NWB Bank promotional bank business model and its strategy (rooted in its 'DNA' as a sustainable waterbank).

In preparation for the 2023 ICAAP, results of the ESG risk materiality assessment were translated into scenarios, the quantitative impact of which was assessed in the short to medium term on capital positions from funding to lending to liquidity. Some scenarios led to neutral outcomes but mostly a negative delta was prognosed for the different environmental and social, scenarios.

Simultaneously, a pilot exercise of scenario analyses was performed which focused on the possible medium to long term impact of three of the Network for Greening the Financial System (NGFS) scenarios on the NWB Bank and its clients. The analysis mainly focused on macro-economic consequences and steps required of the bank to enable a transition and maintain a sturdy footing in either of the scenarios.

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<3-year horizon, scenario analysis deals with a longer time horizon of >5, >10 or even >20 years.

In this process, NWB Bank takes into account the full scope of potential environmental, social and governance risk drivers. At first the focus was mainly on the E. Also primarily driven by expectations from the regulator. However the focus is now tilting towards the S and G considering the NWB Bank promotional bank business model and its strategy (rooted in its 'DNA' as a sustainable waterbank).

In preparation for the 2023 Internal Capital Adequacy Procedures, results of the ESG risk materiality assessment were translated into scenarios, the quantitative impact of which was assessed in the short to medium term on capital positions from funding to lending to liquidity. Some scenarios led to neutral outcomes but mostly a negative delta was prognosed for the different environmental and social, scenarios.

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Risk controls, assessments and monitoring

An important follow-up to the ESG risk materiality assessment, both in terms of controlling and monitoring ESG risks and assessing them on a portfolio, sector and client level, was integrating the outcomes in our risk appetite statement and client risk assessments. The risk appetite statement describes and defines what the organization considers as threats and what the likely responses will be. Integrating ESG risk meant introducing four climate-related and environmental key risk indicators (KRI's) in the 2023 risk appetite statement. Defining ESG KRI's allows for monitoring ESG risk of our clients on a portfolio and sector level and serves as a basis for client engagement and impact, along with our climate action plan. Both the key performance indicators in our climate action plan as well as the key risk indicators in the risk appetite statement define transition paths for our clients, to which we can hold them accountable and, in the case of deviation, a basis for engagement and other forms of action if so required. Monitoring is rendered possible through a KRI dashboard, which allows us to monitor the indicators on a portfolio, sector and client level.

KRI	Material ESG risk	Data source	Sector metrics and targets
Reduction of CO_2 emissions	Physical (effects of warming) and transition risk (Paris Agreement)	PCAF data	2050: net zero **Social housing**: <1.5 degree scenario reduction target (2022: 288,026 tonnes) **Health care:** <1.5 degree scenario reduction target (2022: 81,531 tonnes) **Water authorities:** <1.5 degree scenario reduction target (2022: 720,472 tonnes) Municipalities: linear reduction target (2022: 381,581 tonnes)
Energy performance: reduction of EFG labels in portfolio of social housing corporations	Transition risk (energy performance and related policy changes)	Aedes benchmark / database	2028: 3% EFG labels (margin instead of 0%) 2027: 4% 2026: 6% 2025: 8% 2024: 9% 2023: 10% 2022: 11% EFG labels (current status)
Energy performance: increase of percentage energy labels C or better of utility buildings in municipalities	Transition risk (energy performance and related policy changes)	RVO	2023: no clients below 55% (5.5) Yearly linear increase 2021: average 72.8%, 1 municipality insufficient
Energy neutrality: increase in water authorities	Transition risk (energy use and related policy changes)	**Dashboard Klimaatmonitor**	2025: 95% energy neutrality (margin instead of 100%) Yearly linear increase 2022: 65%

The client level integration of ESG risk is further, and most importantly, achieved through our credit risk assessments and scorecards. Integrating outcomes of the ESG risk materiality assessment here was done in a couple of steps, and with the involvement of a bank-wide working group with a focus on ESG data. Steps taken were drawing up a longlist of ESG factors that influence our credit risk through the different client groups of our portfolio, subsequently identifying data sources and, where necessary, acquiring further data to quantify these ESG risks, linking ESG risk data to the locations of our clients and then scoring our entire portfolio on these different factors. The factors, also called metrics, are integrated in both our qualitative, written, credit risk assessments of our clients as well as our quantitative credit risk scorecards. Like the key risk indicators on a portfolio and sector level, credit risk assessments on a client level serve, then, to assess, monitor and control the impact of ESG factors on our portfolio.

ESG RISK QUALITATIVE DISCLOSURES

Business strategy and processes

Integration of ESG factors and risks

Sustainability is in our DNA. As a bank of and for the public water sector, a key player in financing the Dutch public sector, and a financing partner for enhancing sustainability in the Netherlands, we are committed to delivering a responsible social return through our business model and strategy. As a promotional bank, we do not pursue profit maximization, but rather focus on creating long-term societal impact which includes climate adaptation and mitigation. All of our clients are part of the public sectors and therefore, by virtue of their public task, committed to sustainability. For example, with our financing, the water authorities invest into measures to protect the country from flooding and droughts, while at the same time playing a key role in preserving the water quality in our country. Social housing associations, on the other hand, have a crucial part to play in increasing the country's resilience and adaptation to climate risks and in delivering social impact by providing and adapting approximately 30% of the total housing in the Netherlands.

Objectives, targets and limits

In 2018, we adopted the new "sustainable water bank strategy", paying homage to our roots as the financier of water authorities and recognizing that sustainability is one of the most important challenges for Dutch society and therefore our clients. As part of this strategy, we published our climate action plan in which we laid out a transition plan and path for the NWB Bank and our clients towards the Paris goal of 2050. In 2022 we added, to this long-term plan, an intermediate, audacious goal: not only is our lending portfolio climate neutral in 2050, but it is energy positive in 2035. This means that the energy yield from the renewable energy projects that we finance is higher than the energy consumed by our clients from fossil fuels.

As part of this climate action plan we defined Science Based Targets or (SBT) key performance indicators for our lending portfolio that focuses largely on emission reduction. We have set up a climate dashboard in which we can monitor yearly progress on client, sector and portfolio level, of our CO_2-eq reduction goals. Additionally, we have set engagement targets which we monitor. This progress is evaluated and strategic action is taken where necessary. On the performance side we, we set targets in the form of key risk indicators which we also monitor in an ESG KRI dashboard.

Our ESG Risk Management Policy sets out the bank-wide governance to manage and address ESG risks and describes all the processes and procedures that the bank has in place to do so. This includes laying out an ESG Risk Strategy and the ESG Risk management cycle as described above.

Current and future investment activities

We aim to make our loan portfolio energy positive by 2035 on our way to carbon neutral by 2050. By 2035, we want the renewable energy projects we finance to generate more renewable energy than the rest of our portfolio consumes in fossil fuels. We aim to achieve this by encouraging our clients to reduce their energy consumption as much as possible and to use renewable energy wherever possible. Financing renewable energy projects is an important part of this. Moreover, to further promote sustainability among clients and implement its policies, we offer clients the opportunity to take out Sustainability Linked Loans (SLLs). With these loans, they can receive interest rebates for good sustainability performance, according to pre-agreed targets set out in the additional loan conditions.

Policies and procedures

Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks and socially harmful activities

Our ESG Risk Management Policy sets out the bank-wide governance to manage and address ESG risks and describes all the processes and procedures that the bank has in place to do so. This includes laying out an ESG Risk Strategy and the ESG Risk management cycle as described above.

Additionally we have a sustainability policy which is publicly available on our website. Our sustainability policy details our management approach to sustainability, our policy themes and the actions we take to make our credit portfolio, loan portfolio and internal operations more sustainable.

Engagement with counterparties

Engagement with our clients makes up for an important part of our sustainable impact strategy as well as our ESG risk management. It helps us identify which risks clients identify themselves as well as monitor progress in regard to sustainability.

Governance

Internal governance and responsibilities

At the NWB Bank, ESG risk management functionally resides with the second line of defense, while at the same time explicitly being a bank-wide responsibility. Effectively, this means that ESG risk management is a focal point of attention for the entire management body and all three lines of defense. The Managing Board is responsible for considering the impact of ESG risks through their transmission channels on the business strategy and risk management framework of the bank. This includes considering the impact of ESG risks and their micro- and macro-economic transmission channels in the short-, medium- and long-term on strategic objectives and being actively involved in all ESG risk management activities. The role of the Supervisory Board is to supervise the Managing Board's policies and their general conduct of the affairs of the company and its business operations, in which ESG risk is an important topic.

Both the executive committee and the supervisory board also have expertise and knowledge in the area of ESG risk and ensure that this knowledge and expertise can be found throughout the organization.

Diverse committees deal with different areas of sustainability and ESG risk. The Sustainability Advisory Board is an advisory committee on all sustainability topics, while formal committees such as the Credit Committee, Asset & Liability Committee and Non-Financial Risk Committee consider ESG risk in all decision-making. Their decision-making is regularly informed through monthly and quarterly risk reporting.

As for the three lines of defense, the first line of defense has Risk ownership and is primarily responsible for managing ESG risk within the risk appetite. The second line of defense is owner of ESG risk management in the organization at large and holds a crucial role in managing ESG risk in the risk management cycle, as well as ensuring compliance with ESG risk-related regulations. The third line of defense, audit, is responsible for providing an independent assessment on the risk management framework and providing independent assurance, taking into account ESG risk.

Governance performance of our counterparties

ESG risk and therefore governance is considered in our lending and credit risk assessments, both at origination (due diligence) and monitoring (regular client reviews). Clients' governance performance is hereby assessed in terms of for instance business ethics, quality of the Managing and Supervisory board and financial management systems. As a promotional bank, however, most of our clients are public sector clients and are, by virtue of their public nature and in relation to the national guarantee funds, subject to and part of solid legal frameworks. This involves regular, in the case of social housing corporations yearly, supervisory visits that inspect the governance performance of our clients. These inspections and reports are integrated in our assessments as well.

Risk management

Integration of ESG risks in the risk management framework

The integration of ESG risks in the risk management framework of the NWB Bank is based on guidelines found in the Capital Requirements Regulation and Directive, ECB Guide on Climate-related and Environmental Risks, EBA report on management and supervision of ESG risks for credit institutions and investment firms and the EBA guidelines on loan origination and monitoring.

For an extensive account of the ESG risk management processes and procedures of the NWB Bank, please refer to the above chapter on the ESG Risk Management Cycle. The identification and assessment of material ESG risks, covering relevant transmission channels and their short-, medium- and long-term effects, is performed in the annual ESG risk materiality assessment. The further quantification and impact investigation of material ESG risks is performed through (Internal Capital Adequacy Procedures) stress testing and scenario analysis. Material ESG risks are included in the Risk Appetite Statement in the form of Key Risk Indicators (KRI's), which are aligned with the long-term targets in the form of Key Performance Indicators (KPI's) that are set out in our climate action plan.

Activities & exposures sensitive to ESG risks

The outcomes of the ESG risk materiality assessment can be found in the above chapter on the ESG Risk Management Cycle. Our strict ESG-related investment criteria mitigate the risk of stranded assets and reputational damage as we do not invest in certain sectors like the fossil fuel industry. As for most of our portfolio that is sensitive to ESG risk, this does not lead to a big increase in credit risk, due to both our financing of water authorities which actively work in climate mitigation and adaptation and the guarantees of our clients. Some of our corporate clients, though, amongst which drinking water companies, are not guaranteed and are exposed to ESG risks. See template 5 of the Pillar 3 report for a quantification of this impact.

Data availability, quality and accuracy

In 2022, NWB Bank started a working group to develop all ESG data-driven topics. This working group is comprised of representatives from each department of the bank with a strong focus on ESG and in need of ESG data. So far, the group has been involved in a number of ESG-related projects and successfully identified and addressed data needs, collecting ESG data from various sources and leading to an ESG dashboard that contains ESG (risk) data of the entire portfolio of the NWB Bank. The working group has also defined an ESG data strategy and ESG data governance within the bank, all of which ensures improving data availability, quality and assurance for the NWB Bank.

TEMPLATE 1: INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

For the sectors agriculture, forestry and fishing and Electric power generation, transmission and distribution we only finance avoided emissions.

		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	(x EUR million)	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change[2]**	2,053.00	0	11	0	0	0	0	37,945.00		3.7%	*328*	*328*	*328*	*1,068*	*10.35*
2	**A - Agriculture, forestry and fishing**	124.00	0	0	0	0	0	0	-		0.2%	20	20	20	64	10.47
3	**B - Mining and quarrying**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
4	B.05 - Mining of coal and lignite	-	0	0	0	0	0	0	-		0	0	0	0	0	0
5	B.06 - Extraction of crude petroleum and natural gas	-	0	0	0	0	0	0	-		0	0	0	0	0	0

		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
(x EUR million)		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
6	B.07 - Mining of metal ores	-	0	0	0	0	0	0	-		0	0	0	0	0	0
7	B.08 - Other mining and quarrying	-	0	0	0	0	0	0	-		0	0	0	0	0	0
8	B.09 - Mining support service activities	-	0	0	0	0	0	0	-		0	0	0	0	0	0
9	**C - Manufacturing**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
10	C.10 - Manufacture of food products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
11	C.11 - Manufacture of beverages	-	0	0	0	0	0	0	-		0	0	0	0	0	0
12	C.12 - Manufacture of tobacco products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
13	C.13 - Manufacture of textiles	-	0	0	0	0	0	0	-		0	0	0	0	0	0
14	C.14 - Manufacture of wearing apparel	-	0	0	0	0	0	0	-		0	0	0	0	0	0
15	C.15 - Manufacture of leather and related products	-	0	0	0	0	0	0	-		0	0	0	0	0	0

	(x EUR million)	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	0	0	0	0	0	0	-		0	0	0	0	0	0
17	C.17 - Manufacture of paper and paper products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
18	C.18 - Printing and reproduction of recorded media	-	0	0	0	0	0	0	-		0	0	0	0	0	0
19	C.19 - Manufacture of coke and refined petroleum products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
20	C.20 - Manufacture of chemicals and chemical products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
21	C.21 - Manufacture of basic	-	0	0	0	0	0	0	-		0	0	0	0	0	0

	(x EUR million)	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	pharmaceutical products and pharmaceutical preparations															
22	C.22 - Manufacture of rubber products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
23	C.23 - Manufacture of other non-metallic mineral products	-	0	0	0	0	0	0	-		0	0	0	0	0	0
24	C.24 - Manufacture of basic metals	-	0	0	0	0	0	0	-		0	0	0	0	0	0
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	-	0	0	0	0	0	0	-		0	0	0	0	0	0
26	C.26 - Manufacture of computer, electronic and optical products	-	0	0	0	0	0	0	-		0	0	0	0	0	0

		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
(x EUR million)		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
27	C.27 - Manufacture of electrical equipment	-	0	0	0	0	0	0	-		0	0	0	0	0	0
28	C.28 - Manufacture of machinery and equipment n.e.c.	-	0	0	0	0	0	0	-		0	0	0	0	0	0
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	-	0	0	0	0	0	0	-		0	0	0	0	0	0
30	C.30 - Manufacture of other transport equipment	-	0	0	0	0	0	0	-		0	0	0	0	0	0
31	C.31 - Manufacture of furniture	-	0	0	0	0	0	0	-		0	0	0	0	0	0
32	C.32 - Other manufacturing	-	0	0	0	0	0	0	-		0	0	0	0	0	0
33	C.33 - Repair and installation of machinery and equipment	-	0	0	0	0	0	0	-		0	0	0	0	0	0

	(x EUR million)	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
34	**D - Electricity, gas, steam and air conditioning supply**	876.00	0	11	0	0	0	0	-		1.6%	140	140	140	456	10.16
35	D35.1 - Electric power generation, transmission and distribution	876.00	0	11	0	0	0	0	-		1.6%	140	140	140	456	10.16
36	D35.11 - Production of electricity	-	0	0	0	0	0	0	-		0	0	0	0	0	0
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	0	0	0	0	0	0	-		0	0	0	0	0	0
38	D35.3 - Steam and air conditioning supply	-	0	0	0	0	0	0	-		0	0	0	0	0	0
39	**E - Water supply; sewerage, waste management and remediation activities**	1,052.00	0	0	0	0	0	0	37,945.00		1.9%	168	168	168	547	10.47

		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
(x EUR million)		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
40	**F - Construction**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
41	F.41 - Construction of buildings	-	0	0	0	0	0	0	-		0	0	0	0	0	0
42	F.42 - Civil engineering	-	0	0	0	0	0	0	-		0	0	0	0	0	0
43	F.43 - Specialised construction activities	-	0	0	0	0	0	0	-		0	0	0	0	0	0
44	**G - Wholesale and retail trade; repair of motor vehicles and motorcycles**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
45	**H - Transportation and storage**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
46	H.49 - Land transport and transport via pipelines	-	0	0	0	0	0	0	-		0	0	0	0	0	0
47	H.50 - Water transport	-	0	0	0	0	0	0	-		0	0	0	0	0	0
48	H.51 - Air transport	-	0	0	0	0	0	0	-		0	0	0	0	0	0

(x EUR million)		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
49	H.52 - Warehousing and support activities for transportation	-	0	0	0	0	0	0	-		0	0	0	0	0	0
50	H.53 - Postal and courier activities	-	0	0	0	0	0	0	-		0	0	0	0	0	0
51	**I - Accommodation and food service activities**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
52	**L - Real estate activities**	-	0	0	0	0	0	0	-		0	0	0	0	0	0
53	**Exposures towards sectors other than those that highly contribute to climate change***	454.00	0	0	0	0	0	0			0.8%	73	73	73	236	*16.63*
54	**K - Financial and insurance activities**	-	0	0	0	0	0	0			0	0	0	0	0	0
55	Exposures to other sectors (NACE codes J, M - U)	454.00	0	0	0	0	0	0			0.8%	73	73	73	236	16.63

(x EUR million)		a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[1]	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
56	**TOTAL**	**2,508.00**	**0**	**11**	**0**	**0**	**0**	**0**			**4.6%**	**401**	**401**	**401**	**1,303**	**10.82**

1) in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation.
2) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

TEMPLATE 2: TEMPLATE 2: BANKING BOOK - INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY - ENERGY EFFICIENCY OF THE COLLATERAL

TABLE TITLE

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount amount															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	(x EUR million)		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2	Of which Loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Of which Loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	**Total non-EU area**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
7	Of which Loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount amount															
(x EUR million)			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
8	Of which Loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

TEMPLATE 3: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)[1]	Portfolio gross carrying amount (Mn EUR)	Alignment metric[2]	Year of reference	Distance to IEA NZE2050 in %[3]	Target (year of reference + 3 years)
1	Power		*0*				
2	Fossil fuel combustion		*0*				
3	Automotive		*0*				
4	Aviation		*0*				
5	Maritime transport		*0*				
6	Cement, clinker and lime production		0				
7	Iron and steel, coke, and metal ore production		*0*				
8	Chemicals		*0*				
9	... potential additions relavant to the business model of the institution		*0*				

1) Please refer to the list below.
2) See table below.
3) PiT distance to 2030 NZE2050 scenario in % (for each metric).

LIST OF NACE SECTORS TO BE CONSIDERED

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
Maritime transport	shipping	301	
Maritime transport	shipping	3011	
Maritime transport	shipping	3012	
Maritime transport	shipping	3315	Average tonnes of CO_2 per passenger-km Average gCO_2/MJ and Average share of high carbon technologies (ICE)
Maritime transport	shipping	50	
Maritime transport	shipping	501	
Maritime transport	shipping	5010	
Maritime transport	shipping	502	
Maritime transport	shipping	5020	
Maritime transport	shipping	5222	
Maritime transport	shipping	5224	
Maritime transport	shipping	5229	
Power	power	27	
Power	power	2712	
Power	power	3314	Average tonnes of CO_2 per MWh and Average share of high carbon technologies (oil, gas, coal)
Power	power	35	
Power	power	351	
Power	power	3511	
Power	power	3512	
Power	power	3513	
Power	power	3514	
Power	power	4321	
Fossil fuel combustion	oil and gas	91	
Fossil fuel combustion	oil and gas	910	Average tons pf CO_2 per GJ and Average share of high carbon technologies (ICE)
Fossil fuel combustion	oil and gas	192	
Fossil fuel combustion	oil and gas	1920	
Fossil fuel combustion	oil and gas	2014	
Fossil fuel combustion	oil and gas	352	
Fossil fuel combustion	oil and gas	3521	

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
Fossil fuel combustion	oil and gas	3522	
Fossil fuel combustion	oil and gas	3523	
Fossil fuel combustion	oil and gas	4612	
Fossil fuel combustion	oil and gas	4671	
Fossil fuel combustion	oil and gas	6	
Fossil fuel combustion	oil and gas	61	
Fossil fuel combustion	oil and gas	610	
Fossil fuel combustion	oil and gas	62	
Fossil fuel combustion	oil and gas	620	
Iron and steel, coke, and metal ore production	steel	24	
Iron and steel, coke, and metal ore production	steel	241	
Iron and steel, coke, and metal ore production	steel	2410	
Iron and steel, coke, and metal ore production	steel	242	
Iron and steel, coke, and metal ore production	steel	2420	
Iron and steel, coke, and metal ore production	steel	2434	
Iron and steel, coke, and metal ore production	steel	244	
Iron and steel, coke, and metal ore production	steel	2442	
Iron and steel, coke, and metal ore production	steel	2444	Average tonnes of CO_2 per tonne of output and Average share of high carbon technologies (ICE)
Iron and steel, coke, and metal ore production	steel	2445	
Iron and steel, coke, and metal ore production	steel	245	
Iron and steel, coke, and metal ore production	steel	2451	
Iron and steel, coke, and metal ore production	steel	2452	
Iron and steel, coke, and metal ore production	steel	25	
Iron and steel, coke, and metal ore production	steel	251	
Iron and steel, coke, and metal ore production	steel	2511	
Iron and steel, coke, and metal ore production	steel	4672	
Iron and steel, coke, and metal ore production	coal	5	
Iron and steel, coke, and metal ore production	coal	51	
Iron and steel, coke, and metal ore production	coal	510	
Iron and steel, coke, and metal ore production	coal	52	

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
Iron and steel, coke, and metal ore production	coal	520	
Iron and steel, coke, and metal ore production	steel	7	
Iron and steel, coke, and metal ore production	steel	72	
Iron and steel, coke, and metal ore production	steel	729	
Fossil fuel combustion	coal	8	Average tons pf CO2 per GJ. and Average share of high carbon technologies (ICE).
Fossil fuel combustion	coal	9	
Cement, clinker and lime production	cement	235	
Cement, clinker and lime production	cement	2351	
Cement, clinker and lime production	cement	2352	Average tonnes of CO2 per tonne of output and Average share of high carbon technologies (ICE)
Cement, clinker and lime production	cement	236	
Cement, clinker and lime production	cement	2361	
Cement, clinker and lime production	cement	2363	
Cement, clinker and lime production	cement	2364	
Cement, clinker and lime production	cement	811	
Cement, clinker and lime production	cement	89	
aviation	aviation	3030	
aviation	aviation	3316	Average share of sustainable aviation fuels and Average tonnes of CO2 per passenger-km
aviation	aviation	511	
aviation	aviation	5110	
aviation	aviation	512	
aviation	aviation	5121	
aviation	aviation	5223	
automotive	automotive	2815	
automotive	automotive	29	Average tonnes of CO2 per passenger-km and Average share
automotive	automotive	291	
automotive	automotive	2910	
automotive	automotive	292	

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
automotive	automotive	2920	of high carbon technologies (ICE)
automotive	automotive	293	
automotive	automotive	2932	

TEMPLATE 4: BANKING BOOK - INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

NWB does not have exposures in the top 20 carbon-intensive firms.

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	0	0	0	0	0

TEMPLATE 5: BANKING BOOK - INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Variable: Geographical area subject to climate change physical risk - acute and chronic events (x EUR million)	Gross carrying amount													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	124,5	19.84	19.84	19.84	64.48	10.47	0	0	0	0	0	0	0	0
2	B - Mining and quarrying	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	C - Manufacturing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	D - Electricity, gas, steam and air conditioning supply	876,0	140.16	140.16	140.16	455.52	10.16	0	0	0	0	0	0	0	0
5	E - Water supply; sewerage, waste management and	1052,9	168.32	168.32	168.32	547.04	10.47	0	625,3	0	0	0	0	0	0

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	remediation activities														
6	F - Construction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	H - Transportation and storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	L - Real estate activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Loans collateralised by residential immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Repossessed colalterals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Method

Given the concentration of activities of NWB in The Netherlands, the only material geographic area for the assessment of potential climate change physical risk is the Netherlands. The vast majority of activities in the Netherlands related to non-financial corporates can be found in sectors E) Water supply, D) Electricity, gas, steam and air conditioning supply and A) Agriculture, forestry and fishing and N) Administrative and support service activities.

In reporting this template, we relied on the assumption of materiality: we report, next to the gross carrying amount, only the exposures of the bank that are materially sensitive to climate change physical risk. This judgment relies heavily on the outcomes of the bank's ESG Risk Materiality Assessment, which includes which physical risks are material as well as the sectors for which credit risk is materially affected by these physical risks. This means that, for now, NWB only reports on E) Water supply which are the drinking water companies.

The material climate change-related physical risks that we identified and have found the data to assess are drought and flooding. Both are classified as acute risks according to the EBA report on the management and supervision of ESG risks and the ECB guide on climate-related and environmental risks. Among the above-mentioned sectors, the clients that are at risk for these climate change physical events, and where this risk materializes in credit risk for the NWB Bank, are the drinking water companies. Renewable energy projects and infrastructure projects were not included in the material sectors, because of the extensive ESG project and client due diligence that is performed for these clients and because of the smaller balance sheet exposure.

To calculate the amount of exposure to physical risk for drinking water companies, the following method is used. At first, the drinking water supplier is determined per municipality. Second, two risk indicators were determined, namely 1) securing drinking water and 2) probability of flooding.

For the first risk indicator, we used a report (September 2022) by Vewin as open source. This is the sector organization for drinking water companies, which shows the timelines in which problems in drinking water supply can arise, as a result partly of drought.

For the second risk indicator, we used the Klimaateffectatlas (https://www.klimaateffectatlas.nl/nl/) to determine an indicator for flooding based on the chance of flooding of more than 0-200 centimeters.

By using these two risk indicators, we could determine the high risk municipalities per drinking water supplier. If a drinking water supplier scores high on one or two indicators, the area is classified as high risk. The ratio of high risk municipalities to total amount of municipalities was multiplied with the individual loan amounts to determine the amount of exposures sensitive to impact from chronic climate change events.

TEMPLATE 10: OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN REGULATION (EU) 2020/852

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	0			
2		Non-financial corporations	0			
3		Of which Loans collateralised by commercial immovable property	0			
4		Households	0			
5		Of which Loans collateralised by residential immovable property	0			
6		Of which building renovation loans	0			
7		Other counterparties	1992	Climate mitigation	Flood	NHG RMBS securities
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	0			
9		Non-financial corporations	0			
10		Of which Loans collateralised by commercial immovable property	0			
11		Households	0			
12		Of which Loans collateralised by residential immovable property	0			
13		Of which building renovation loans	0			
14		Other counterparties	33222	Climate mitigation and adaptation	Flood	Loans for social housing

In line 7 are included the RMBSs as eligible, since residential mortgages are 100% eligible under the Taxonomy Regulation.

In line 14 are included all housing associations, arguing that the financing of social housing in the Netherlands (with a guarantee from the Social Housing Guarantee Fund) is not handled by municipalities but by parties set up and guaranteed by municipalities. Our bank's SDG Housing Bond Framework shows that 80% of the financing to housing associations is used for social housing. This percentage is used for the eligibility under the Taxonomy Regulation. We argue that residental mortgages are also 100% eligible under the Taxonomy Regulation.

ANNEX III - CAPITAL INSTRUMENTS' MAIN FEATURES TEMPLATE

DISCLOSURE ACCORDING TO ARTICLE 3 IN COMMISSION IMPLEMENTING REGULATION (EU) NO 2021/637

Capital instruments' main features template[1]							
1	Issuer	Nederlandse Waterschapsbank N.V.	Nederlandse Waterschapsbank N.V.	Nederlandse Waterschapsbank N.V.	Nederlandse Waterschapsbank N.V.	Nederlandse Waterschapsbank N.V.	Nederlandse Waterschapsbank N.V.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	No unique identifier	No unique identifier	No unique identifier	No unique identifier	No unique identifier	No unique identifier
2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	Dutch	Dutch	Dutch	Dutch	Dutch	Dutch
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	Yes	Yes	Yes	Yes
	Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1	CET1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5	Post-transitional CRR rules	CET1	CET1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/ (sub-)consolidated/ solo & (sub-)consolidated	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share Capital (A shares)	Share Capital (B shares)	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 5.805 mln	EUR 1.019 mln	EUR 200 mln	EUR 20.5 mln	EUR 50 mln	EUR 50 mln
9	Nominal amount of instrument	EUR 115	EUR 460	EUR 200 mln	EUR 20.5 mln	EUR 50 mln	EUR 50 mln
9a	Issue price	EUR 115	EUR 460	100%	100%	100%	100%
9b	Redemption price	N/A	N/A	100%	100%	100%	100%
10	Accounting classification	Shareholders' equity	Shareholders' equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	May 5, 1954	January 1, 1961	September 1, 2015	May 3, 2016	August 12, 2016	August 15, 2016

Capital instruments' main features template[1)]							
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	N/A	N/A	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	01-09-25 100% of nominal amount In addition Tax/ Regulatory call	05-05-31 100% of nominal amount In addition Tax/ Regulatory call	12-08-26 100% of nominal amount In addition Tax/ Regulatory call	15-01-24 100% of nominal amount In addition Tax/ Regulatory call
16	Subsequent call dates, if applicable	N/A	N/A	1 Sep of each year after first call date	3 May of each year after first call date	12 Aug of each year after first call date	15 Jan of each year after first call date
	Coupons/dividends						
17	Fixed or floating dividend/coupon	Floating	Floating	Fixed to floating	Fixed to floating	Fixed to floating	Fixed to floating
18	Coupon rate and any related index	N/A	N/A	Fixed 3.1% per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00% per annum	Fixed 4.025% per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.25% per annum	Fixed 2.34% per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00% per annum	Fixed 2.41% per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00% per annum
19	Existence of a dividend stopper	No	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	N/A	N/A	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	N/A	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A

Capital instruments' main features template[1]							
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	N/A	N/A	Common Equity Tier1 (CET1) below 5.125%	Common Equity Tier1 (CET1) below 5.125%	Common Equity Tier1 (CET1) below 5.125%	Common Equity Tier1 (CET1) below 5.125%
32	If write-down, full or partial	N/A	N/A	Full or Partially	Full or Partially	Full or Partially	Full or Partially
33	If write-down, permanent or temporary	N/A	N/A	Temporary	Temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	N/A	N/A	Under conditions write-up takes place in steps when CET1 is above 5.125%	Under conditions write-up takes place in steps when CET1 is above 5.125%	Under conditions write-up takes place in steps when CET1 is above 5.125%	Under conditions write-up takes place in steps when CET1 is above 5.125%
34a	Type of subordination (only for eligible liabilities)	own funds	own funds	own funds	own funds	own funds	own funds
34b	Ranking of the instrument in normal insolvency proceedings	ranking 1	ranking 1	ranking 2	ranking 2	ranking 2	ranking 2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Additional Tier 1	Other creditors	Other creditors	Other creditors	Other creditors
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A	N/A

1) 'N/A' inserted if the question is not applicable