Half-year report

2025

CONTENTS

1. REPORT OF THE MANAGING BOARD

2. HALF-YEAR FIGURES

3. OTHER INFORMATION

REPORT OF THE MANAGING BOARD

- First half-year 2025 at a glance
- Key financials
- Report for the first half of 2025
- Outlook 2025
- Statement of the Managing Board

1

FIRST HALF OF 2025 **AT A GLANCE**

FINANCIAL

NEW LENDING

€5.0 billion to the Dutch public sector

2024: €9.6 billion
H1 2024: €4.4 billion

HOUSING ASSOCIATIONS
€3.8 BILLION

GOVERNMENT-GUARANTEED LOANS
€21 MILLION

WATER AUTHORITIES
€324 MILLION

HEALTHCARE INSTITUTIONS
€73 MILLION

MUNICIPALITIES AND JOINT SCHEMES
€422 MILLION

RENEWABLE ENERGY
€228 MILLION

DRINKING WATER COMPANIES
€55 MILLION

OTHER
€149 MILLION

NET PROFIT

€64 million

2024: €94 million
H1 2024: €58 million

Cost/income ratio
25.5%

2024: 28.6%

TOTAL ASSETS

€89.8 billion

2024: €78.8 billion

LEVERAGE RATIO

11.4%

2024: 24.0%

2.8% Not adjusted for promotional assets

CAPITAL RATIOS

35.2% CET1 Ratio

2024: 35.7%

40.9% Tier 1 Ratio

2024: 41.4%

KEY FINANCIALS

[1] (x EUR 1,000,000)	30 June 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
BALANCE SHEET					
Long-term loans and advances (nominal value)[2]	58,203	56,991	53,854	52,167	51,888
Equity	2,107	2,094	2,060	1,995	1,902
Tier 1 capital	2,352	2,299	2,235	2,155	2,083
Total assets	89,796	78,769	75,909	73,285	96,019
Risk-weighted assets	5,746[3]	5,550	4,659	4,792	4,641
RESULTS					
Net interest income	121	248	262	301	286
Results from financial transactions	-2	-37	-16	-30	-20
Operating income	119	211	246	271	266
Operating expenses	30	60	54	44	35
Bank tax and resolution levy	-	18	18	28	38
Expected Credit Loss	-	-	-	-	-
Income tax	25	39	48	56	72
Net profit	64	94	126	143	121
DIVIDEND					
Dividend distribution	-	50.0	60.0	60.0	50.0
Dividend (in euros per share)	-	847.6	1,017.1	1,017.1	847.6

1) An explanation of the calculation of the quantities shown in the key figures is included in the 'Glossary'
2) Loans including interest-bearing securities, provided to regional authorities and network operators
3) On a basis of the per 2025 applicable CRR3 (Capital Requirements Regulation III)

[1]	30 June 2025	31 December 2024	31 December 2023	31 December 2022	31 December 2021
RATIOS (IN %)					
Tier 1 ratio	40.9	41.4	48.0	45.0	44.9
CET1 ratio	35.2	35.7	41.1	38.3	38.0
Cost/income ratio[2]	25.5	28.6	21.8	16.2	13.0
Dividend pay-out ratio	-	53.4	47.7	41.9	41.2
Leverage ratio	11.4	24.0	20.6	18.9	14.3
Leverage ratio (not adjusted for promotional assets)	2.8	3.1	3.1	3.1	2.6
Liquidity Coverage Ratio	136	183	160	285	183
Net Stable Funding Ratio	143	134	133	141	133
CSR					
Volume of ESG bond issuance in millions of euros	2,513	3,979	3,766	4,703	3,550
CO_2 emissions equivalents from operating activities p.p. (in tonnes)	-[3]	0.8[4]	0.5	0.9	1.2
CO_2 emissions equivalents PCAF portfolio coverage (in %)	-[3]	97.8	98.3	91.9	90.7
CO_2 emissions equivalents loan portfolio (in kton)	-[3]	1,511[5]	1,458[5]	1,657[5]	1,731[5]

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

REPORT FIRST HALF OF 2025

- €5.0 billion in new lending to the Dutch public sector
- Loan portfolio reaches a record level of more than €58 billion
- First financing in a new sustainable energy segment for the bank: a geothermal project
- Sustainalytics ESG risk rating of the bank improves further

TRENDS AND DEVELOPMENTS

Economy

Ongoing geopolitical tensions and the ongoing trade war are causing uncertainty in global financial markets, as is the associated uncertainty about import duties and their impact on economic growth. These tensions are weighing on financial stability and putting particular pressure on the US dollar. At the same time, markets expect US government debt to continue rising sharply, driving up interest expenses. In June, Moody's downgraded the US credit rating from Aaa to Aa1 in response to the growing debt burden. Consequently, the US no longer has the highest credit rating of AAA from any of the major rating agencies (Moody's, S&P and Fitch).

In the first half of 2025, the Dutch economy presented a mixed picture, shaped by international tensions and domestic dynamics:

- Inflation fell to 3.1% in June 2025, still relatively high but lower than in 2024 (source: CBS). This decline was mainly due to stabilising energy prices and no further increases in tobacco duty. Dutch inflation was above the eurozone average of 2.0% in June 2025, with energy prices, higher taxes (excise duties and VAT) and the services sector contributing most to price pressures.
- The European Central Bank (ECB) remains focused on achieving its 2% inflation target. With eurozone inflation falling, the ECB lowered its main interest rate, the deposit rate, to 2%, the lowest level in more than two years. However, this contrasts with the situation in the Netherlands, where inflation is higher.
- Against the backdrop of the trade war, rising government debt, and debate over the dollar's role as the global reserve currency, the US dollar weakened in 2025 against major currencies, including the euro. This makes Europe a more expensive export continent. A stronger euro could put downward pressure on interest rates in the eurozone. However, capital market rates have not yet declined, as European governments have announced higher borrowing to finance increased defence spending.

The Netherlands and water & housing

The Netherlands currently deals with more extreme weather events, including heavy downpours and prolonged periods of drought, as a consequence of climate change. These developments put considerable pressure on our water management systems and call for additional investment in infrastructure. The Water Framework Directive, the Nature Restoration Act, the Environmental Management Act, the Environment and Planning Act, and the Urban Waste Water Treatment Directive are also driving sustainable investment in areas such as wastewater treatment, with the aim of protecting and restoring our ecosystems that are essential for safeguarding water quality. This is all the more urgent given ongoing pollution from the emission of harmful substances such as PFAS.

In the Netherlands, the social housing association sector plays a vital role by providing affordable rental homes for people with lower and middle incomes. Making the existing housing stock more sustainable is a high priority, not only to remedy and prevent energy poverty, but also to contribute to climate adaptation and mitigation. Measures include insulation, smart lighting and solar panels. Under the National Performance Agreements, housing associations will no longer be permitted to own homes with E, F or G energy labels as of 2028. The growing demand for financing is driven not only by the sustainability targets, but also by the ambition to build new homes. The government's initial proposal to freeze rents for social housing would have significantly weakened the financial position of housing associations, threatening the planned expansion of the social housing stock. In June, however, the outgoing government decided not to submit the bill for a rent freeze.

Through our financing, we support our clients in achieving their societal goals. We are constantly looking for opportunities to promote these from our position. For instance, together with housing association Ymere, we brought together several of our bank's clients at an early stage in a new construction project aimed at creating a water-conscious residential area. Our goal is to launch a pilot project for developing a water-positive residential area in Haarlem, by collaborating with Ymere, the Rijnland Water Authority, the municipality of Haarlem, the province of North Holland and PWN drinking water company. The pilot seeks to explore how the various parties can apply existing water reuse and saving systems, along with smart and green water management solutions. We are examining how (rain)water can be reused efficiently, safely and cost-effectively within the area, buildings and homes. We have also joined De WaterBank cooperative. Through this membership, we are supporting De WaterBank's initiative to better match local residual water supply and demand, and to promote circular water use.

Political developments

There is a shortage of affordable housing not only in the Netherlands but across much of Europe. To address this urgent issue, the European Commission plans to unveil a comprehensive European plan for affordable housing in 2026. Discussions on this are currently underway. As a financier of the social housing sector, NWB Bank is participating in these discussions in its capacity as chair of the European Association of Public Banks. NWB Bank is coordinating these discussions with the Association of Housing Corporations (Aedes) and the Ministry of Housing and Spatial Planning (VRO) to improve the financeability and availability of affordable housing in the Netherlands.

Simplifying and streamlining regulations are also high on the European agenda, with the aim of strengthening Europe's competitiveness. On 26 February 2025, the European Commission took an initial step with the publication of the Omnibus package. The Omnibus contains proposals aimed at simplifying existing sustainability reporting legislation. NWB Bank supports measures that simplify the achievement of the objective without undermining it, such as simplifications in the CSRD reporting directive. Although NWB Bank's obligation to publish a CSRD report has been postponed by two years, the bank will continue to report in line with the CSRD for 2025, as it did for 2024.

On 3 June 2025, 11 months after taking office, the Schoof administration resigned, with new elections scheduled for October. It remains to be seen whether steps can be taken on major issues such as housing and nitrogen until a new administration takes office, probably not before 2026.

LENDING

To help our clients address the important social and sustainability challenges facing the Netherlands, we provide them with appropriate financing at the lowest possible cost. In the first half of 2025, we provided a total of €5.0 billion in new financing compared with €4.4 billion in the same period last year. This figure includes interest rate and spread resets on existing loans. As loan redemptions were lower than new lending to our clients over the past six months, our loan portfolio grew again, reaching €58.2 billion by the end of June. This is another record high. The financing we have provided to date brings us closer to our ambitious goal of achieving an energy-positive loan portfolio by 2035 and becoming climate neutral by 2050. Energy positive means that, from 2035 onwards, the amount of renewable (climate-neutral) energy generated by the projects and clients we finance will exceed their total fossil energy consumption.

Bank of and for the public water sector

In the first half of the year, we provided €324 million in new financing to water authorities and €55 million to drinking water companies under the first pillar of our strategy. This has enabled us to strengthen our position in both sectors. We are and will remain the primary integrated financial services provider for water authorities, as they are also our shareholder, we aim to achieve the highest possible market share of their financing. Drinking water companies have traditionally been an important client group for our bank, and financing these clients aligns perfectly with our identity as 'the sustainable water bank'.

Key player in financing the Dutch public sector

The second pillar of our strategy is reflected in the financing of housing associations, municipalities and healthcare institutions. In the first half of the year, we provided €3.8 billion to housing associations, €406 million to municipalities (€422 million including joint schemes) and €73 million to healthcare institutions. While housing ambitions for the coming years are high, we recognise the challenges housing associations are facing. These include a structural shortage of building sites, ongoing restrictive nitrogen regulations, grid congestion and labour shortages in the construction sector, all of which are causing further delays in construction and planning ambitions.

The debate on the rent freeze also put pressure on social housing associations' investments, and created uncertainty in the sector. Now that the rent freeze has been cancelled, we expect investments and related financing to proceed in line with this year's original estimates. We also provided more loans to municipalities in the first half of this year than in the same period last year. Despite fierce competition, we are maintaining our market share in the (semi-)public sector and ensuring the availability and affordability of financing for our clients.

Financing partner to enhance sustainability in the Netherlands

We also played an important societal role under the third pillar of our strategy. In the first half of the year, we provided €228 million in loans for renewable energy projects and regional grid operators.

Sustainability loans ASN Energy & Innovation Fund

We acquired part of the ASN Energy & Innovation Fund's (formerly the ASN Green Projects Fund) sustainability loan portfolio. This portfolio includes operational wind and solar parks, and in some cases also the associated energy storage facility, located across the Netherlands, with a combined installed capacity of around 290 MW. Through this acquisition, we fulfil a complementary role, enabling this commercial party to focus on higher-risk investments in the energy transition.

Regional grid operators

We further expanded our financing to regional network operators in the first half of 2025. These operators manage and develop the electricity and gas grids within their regions. By doing so, they are making an important contribution to the energy transition in the Netherlands.

However, the rapid increase in renewable energy generation and demand for electricity poses challenges in maintaining the availability for existing and new connections, a problem known as grid congestion. To address this issue, regional network operators are undertaking a substantial investment programme aimed at expanding capacity. NWB Bank, whose mission is to finance the transition to a more sustainable Netherlands, believes that financing grid operators is in line with its purpose. By doing so, the bank is making a tangible contribution to accelerating the energy transition in the Netherlands.

Geothermal energy

In addition to NWB Bank's financing of wind and solar parks for already several years, it financed its first geothermal project in the first half of 2025: GeoThermie Delft. This unique project will supply the TU Delft campus and surrounding residential areas with renewable geothermal energy. The project involves social housing built by four local housing associations. The geothermal project will help reduce CO_2 emissions and support the municipality of Delft in becoming natural gas-free. NWB Bank financed half of the total investment of almost €50 million.

FUNDING

Despite volatility in the capital market caused by geopolitical developments, we were able to secure attractive and sustainable funding in the first half of the year. Our strong access to the market reflects both our AAA credit ratings, equal to that of the Dutch state, and our essential role in financing the Dutch public (water) sector. In total, we raised €7.4 billion (H1 2024: €6.1 billion) in long-term financing on the international capital market for new lending and the refinancing of existing loans. Of this, approximately 34% (H1 2024: 64%) was raised through the issuance of ESG bonds. This enables us to continue providing the public sector with affordable, appropriate financing, even in challenging markets.

This means that over 60% of the funding required for 2025 has already been secured, putting us well on track. We have demonstrated our commitment to our USD and EUR investors by raising funding through a US$1.5 billion 5-year USD SDG Holding Bond benchmark, a US$1.25 billion 3-year USD benchmark and a €2 billion 5-year EUR benchmark. The euro benchmark equalled the largest ever benchmark issued by NWB Bank. We further diversified by raising funding in CHF, GBP and HKD, as well as through taps and private placements in EUR. A tap is an increase of an existing bond.

We are also progressing well towards our strategic objective of issuing at least one-third of our bonds as sustainable ESG bonds. In the first half of the year, we raised 34% (H1 2024: 64%) of our funding – €2.5 billion (H1 2024: €2.9 billion) – in the form of SDG Housing Bonds. The proceeds from these SDG Housing Bonds will be used to finance affordable and sustainable social housing. In the second half of the year, we plan to issue a Water Bond benchmark (H1 2024: €1 billion). This Water Bond will be used to finance the investments of the water authorities. We are one of the largest issuers of ESG bonds, which account for 43% (H1 2024: 41%) of our total outstanding bonds. It is also worth noting that our sustainable business model is increasingly reflected in our ESG ratings, as evidenced by our improved Sustainalytics rating, which places us among the top 20 Sustainalytics ESG-rated banks worldwide (out of more than 1,000). The transition to CSRD in 2024 has contributed to this.

TOTAL BONDS OUTSTANDING

€62.1 billion (2024: 61.5)

ESG bonds*
26.9 billion (2024: 25.3)

Other bonds
35.2 billion (2024: 36.2)

*43% of total bonds issued (2024: 41%)

BONDS ISSUED IN H1 2025

€7.4 billion (H1 2024: 6.1)

ESG bonds*
2.5 billion (H1 2024: 3.9)

SDG Housing Bonds
2.5 billion (H1 2024: 2.9)

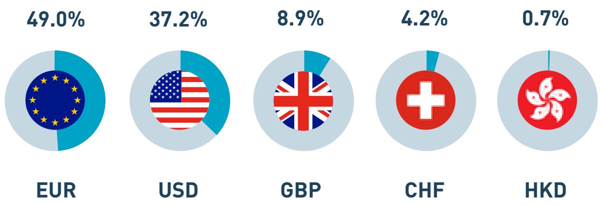
Water Bonds
0 billion (H1 2024: 1)

Other bonds
4.9 billion (H1 2024: 2.2)

* 34% of total issued bonds (H1 2024: 64%)

The outstanding amount under our Euro Commercial Paper (ECP) programme is €9.3 billion, while €6.9 billion is outstanding under the US Commercial Paper (USCP) programme. We use the short-term funds raised through these programmes for short-term loans to clients, enlarging our liquidity buffer, and to meet collateral requirements arising from derivative transactions entered into by the bank to hedge interest rate and currency risks.

FUNDING RAISED BY CURRENCY



PROFIT DEVELOPMENT

Net profit for the first half of 2025 was €64 million, up from €58 million in the first half of 2024. Profit was higher than last year due to lower results from financial transactions in the previous year. Net interest income amounted to €121 million, virtually unchanged from €122 million in the first half of 2024. The results from financial transactions over the past six months was a negative of €2 million, compared to a negative of €12 million in the first half of 2024.

The tax burden for the first half of the year was €25 million, corresponding to an effective tax rate of 29%. In addition to corporation tax, we pay bank tax, the impact of which is always recognised in the results in the second half of the year.

COST DEVELOPMENT

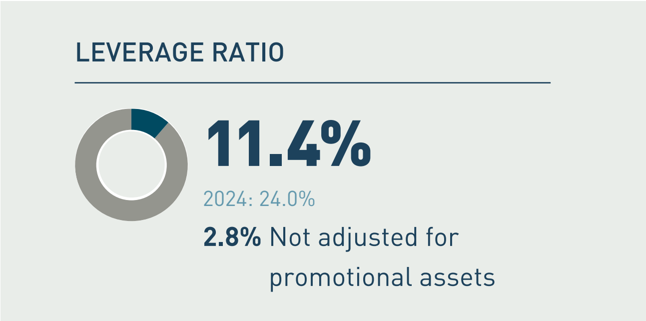
Operating expenses for the first six months of the year totalled €30 million, up from €29 million in the same period last year. This increase is partly due to the expansion of our workforce and investments in IT. We are also investing in expertise in areas such as ESG and data. The new collective labour agreement for banks took effect on 1 January 2025, resulting in wage increases of 4% as of 1 January 2025, 1% as of 1 July 2025, and 3.5% as of 1 January 2026.

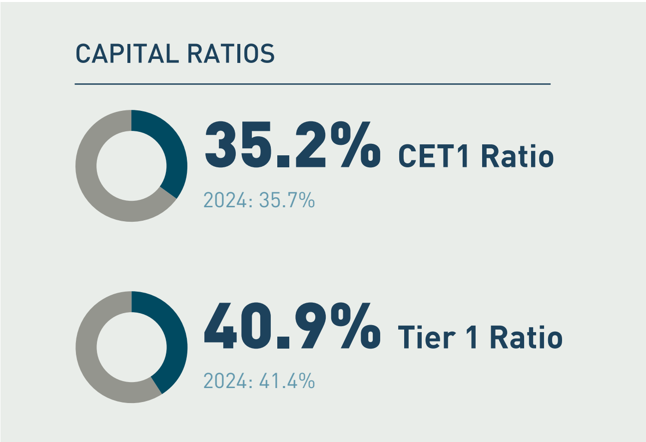
CAPITAL AND LIQUIDITY RATIOS

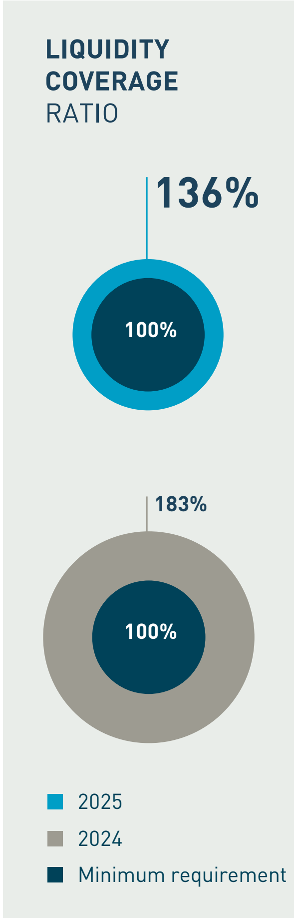
The bank's CET1 capital stood at €2,022 million at the end of June, up from €1,978 million at the end of 2024. This increase is due to the addition of the net profit for 2024, minus the €50 million dividend paid to shareholders for the 2024 financial year, to the CET1 capital. The Common Equity Tier 1 (CET1) ratio stood at 35.2% (end of 2024: 35.7%). Including the bank's hybrid capital (AT1), the bank's capital as of 30 June 2025 was €2,352 million (end of 2024: €2,299 million). This results in a Tier 1 ratio of 40.9% (end of 2024: 41.4%). This comfortably exceeds the minimum requirement of 14.7% set by the ECB for our bank.

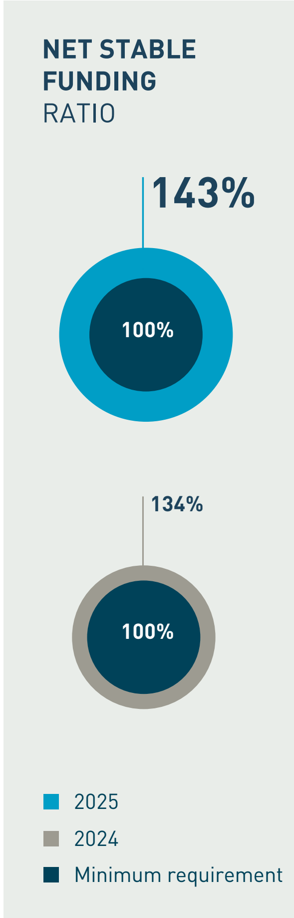
The limited decline in our CET1 and Tier 1 ratios is partly attributable to the implementation of CRR3 (Capital Requirements Regulation), which took effect in 2025. This is the most important regulation for banks in the EU. It leads to higher capital requirements for our derivative positions, which we use to hedge interest rate and currency risks. As a result, we must hold more capital even though our risk profile remains unchanged.

The leverage ratio stood at 11.4% on 30 June (year-end 2024: 24.0%), which is well above the 3% minimum required under the CRR. As a promotional bank, we are permitted under these regulations to exclude lending to the public sector from the leverage ratio calculation.









The decrease compared with year-end 2024 was due to a higher liquidity buffer at the end of June. Including lending to the public sector, the leverage ratio was 2.8% (end of 2024: 3.1%). At the end of June, the Liquidity Coverage Ratio (LCR) stood at 136%, which is comfortably above the minimum requirement of 100% (end of 2024: 183%). The Net Stable Funding Ratio (NSFR) stood at 143% at the end of June (minimum 100%; year-end 2024: 134%). On 1 August, the ECB published the results of the EU-wide stress test. These confirmed NWB Bank's robust capital position.

Our bank's total assets on June 30 amounted to €89.8 billion, exceeding the figure at year-end 2024 (€78.8 billion). This increase reflects the growth of our loan portfolio and the fact that we are holding more bonds in our liquidity portfolio and more cash reserves at the central bank as part of our liquidity buffer.

ORGANISATIONAL DEVELOPMENT

Our Annual General Meeting (AGM) took place on 17 April. At this meeting, Maarten Otto was appointed to the Supervisory Board. At the same meeting, Frida van den Maagdenberg stepped down after reaching the maximum term of office.

After more than a year in the role, Wilma Schouten resigned as Chief Financial Officer (CFO) on 31 July 2025. After consulting with the Supervisory Board, she decided not to complete her term in order to pursue a new opportunity in her career. The search for a successor will begin shortly. In the meantime, the remaining members of the Managing Board will take over her duties.

The number of employees increased from 139 (136 FTEs) in June 2024 to 159 (154 FTEs) in June 2025. We have attracted significant new talent from outside the organisation and strengthened several departments, including ICT, Change & Information Management, and Operations. Attracting and retaining qualified, motivated employees remains a key priority, with particular emphasis on diversity and inclusion. We continue to invest heavily in our employees' development and pay particular attention to fostering connections and bringing our 'vision quadrant' to life. This vision clearly sets out our purpose, values and areas of excellence.

OUTLOOK 2025

Investments in addressing societal challenges are expected to rise significantly in the coming years, as will our clients' demand for financing. This will mainly concern investments in wastewater treatment, drinking water supply, and the construction and sustainability measures of social housing. For the remainder of 2025, we will continue to meet the financing needs of our clients in the Dutch public sector in the same socially responsible and sustainable manner as in the first half of the year. We expect our loan portfolio to expand further in the second half of 2025.

STATEMENT OF THE MANAGING BOARD

The Managing Board hereby states that, to the best of its knowledge, the half-year figures give a true and fair view of the bank's assets, liabilities, financial position and profit, and that the half-year report gives a true and fair review of the information required pursuant to section 5:25d, paragraph 8, of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

The Hague, 29 August 2025

Managing Board
Lidwin van Velden
Ard van Eijl
Frenk van der Vliet

HALF-YEAR FIGURES

2

CONTENTS

STATEMENT OF INCOME

for the first half of 2025

(x EUR 1,000,000)	Note	First half of 2025	First half of 2024
Interest and similar income		3,165	3,972
Interest and similar expenses		3,044	3,849
Net interest income	1	**121**	**122**
Results from financial transactions	2	-2	-12
Other operating income		-	-
Total operating income		**119**	**110**
Employee benefits expense	3	14	14
Other administrative expenses	3	14	12
Employee benefits and other expenses		28	26
Depreciation, amortisation and value adjustments of tangible and intangible assets	9	2	2
Depreciation of receivables and provisions for liabilities included in the balance sheet	5	-	-
Total operating expenses		**30**	**28**
Profit from ordinary operations before tax		**89**	**82**
Tax on profit from ordinary operations	6	25	24
Net profit		**64**	**58**

BALANCE SHEET

as at 30 June 2025

(x EUR 1,000,000)	Note	30 June 2025	31 December 2024
ASSETS			
Cash, cash equivalents and deposits at the Central Bank		16,548	6,623
Loans and advances to credit institutions		3,762	2,622
Loans and receivables	7	57,629	59,158
Interest-bearing securities	8	6,925	5,584
Intangible assets		11	11
Tangible assets	9	4	5
Other assets		54	14
Derivative assets	10	4,849	4,740
Income tax		-	-
Prepayments		14	11
Total assets		**89,796**	**78,768**

(x EUR 1,000,000)	Note	30 June 2025	31 December 2024
LIABILITIES			
Debts to credit institutions	11	2,725	2,658
Funds entrusted		6,763	7,174
Debt securities	12	73,514	62,769
Other liabilities		50	20
Derivative liabilities	13	4,279	3,710
Income tax		6	-
Accruals		14	6
Provisions		9	10
		87,360	76,347
Subordinated debt		**329**	**327**
Paid-up and called-up share capital		7	7
Revaluation reserves		-	-
Other reserves		2,036	1,993
Unappropriated profit for the year		64	94
Equity		**2,107**	**2,094**
Total liabilities		**89,796**	**78,768**
Irrevocable commitments	-	5,402	5,037

STATEMENT OF COMPREHENSIVE INCOME

for the first half of 2025

(x EUR 1,000,000)	Note	First half of 2025	First half of 2024
Net changes in the revaluation reserves		-	-
Net changes in other reserves (changes in value as part of the pension provision before income tax)		-	-
Income tax on income and expenses recognised directly in equity		-	-
Income and expenses recognised directly in equity		**-**	**-**
Net profit		64	58
Comprehensive income		**64**	**58**

STATEMENT OF CHANGES IN EQUITY

for the first half of 2025

(x EUR 1,000,000)	Paid-up share capital	Revaluation reserves	Other reserves	Unappropriated profit for the year	Total
As at 1 January 2025	**7**	**0**	**1,993**	**94**	**2,094**
Profit appropriation of previous year	-	-	94	-94	-
Dividend	-	-	-50	-	-50
Direct change in the value of equity	-	0	-	-	0
Profit for the year	-	-	-	64	64
Other (rounding)	-	-	-1	-	-1
As at 30 June 2025	**7**	**0**	**2,036**	**64**	**2,107**
As at 1 January 2024	**7**	**0**	**1,927**	**126**	**2,060**
Profit appropriation of previous year	-	-	126	-126	-
Dividend	-	-	-60	-	-60
Direct change in the value of equity	-	0	-	-	0
Profit for the year	-	-	-	58	58
As at 30 June 2024	**7**	**0**	**1,993**	**58**	**2,058**

CONDENSED STATEMENT OF CASH FLOWS

for the first half of 2025

(x EUR 1,000,000)	First half of 2025	First half of 2024
Profit before income tax	89	82
Adjusted for:		
Depreciation, amortisation and value adjustments of tangible and intangible assets	2	2
Unrealised change in the value of assets and liabilities for fair value hedge accounting	17	2
Change in loans to credit institutions and receivables not available on demand	-1,059	1,108
Change in public sector loans and receivables	-1,819	-1,556
Change in Funds entrusted	257	500
Change in other assets and liabilities	679	393
Net cash flow from operating/banking activities	**-1,834**	**531**
Expenses related to additions to interest-bearing securities	-1,960	-875
Income related to sale and redemptions of interest-bearing securities	543	395
	-1,417	**-480**
Expenses related to additions to tangible assets	-	-
Income related to disposals of tangible assets	-	-
	-	**-**
Expenses related to additions to intangible assets	-2	-2
Net cash flow from investing activities	**-1,419**	**-482**

(x EUR 1,000,000)	First half of 2025	First half of 2024
Income related to long-term debt securities issued	7,315	5,912
Expenses related to redemption of long-term debt securities	-5,086	-8,068
Income related to short-term debt securities issued	131,340	114,868
Expenses related to redemption of short-term debt securities	-120,216	-104,106
Income related to borrowed long-term loans Funds entrusted	43	42
Expenses related to redemption long-term loans Funds entrusted	-130	-245
Income related to borrowed long-term loans from credit institutions	-	200
Expenses related to redemption long-term loans from credit institutions	-38	-33
	13,228	**8,570**
Expenses related to dividend paid	-50	-60
Net cash flow from financing activities	**13,178**	**8,510**
Cash flow	**9,925**	**8,559**

(x EUR 1,000,000)	First half of 2025	First half of 2024
Cash and cash equivalents as at 1 January	6,623	7,476
Cash flow	9,925	8,559
Cash and cash equivalents as at 30 June	**16,548**	**16,035**

GENERAL NOTES TO THE HALF-YEAR FIGURES

NWB Bank is a public limited liability company under Dutch law located at Rooseveltplantsoen 3, 2517 KR in The Hague, the shares of which are owned by public authorities. The bank is a key financial service provider in the Dutch public sector and financing partner for enhancing sustainability in the Netherlands. In addition to financing water authorities, municipalities and provincial authorities, it finances other public sector bodies such as housing associations, healthcare institutions, drinking water companies, regional grid operators, public-private partnership projects and renewable energy projects.

BASIS OF PREPARATION OF THE HALF-YEARLY FIGURES

STATEMENT OF COMPLIANCE

NWB Bank prepares its financial statements - and hence its half-year figures - in accordance with the statutory requirements contained in Part 9 of Book 2 of the Dutch Civil Code (Burgerlijk Wetboek) and accounting principles generally accepted in the Netherlands (NL GAAP). NWB Bank does not have any participating interests and prepares company financial statements.

The half-year figures have been prepared in accordance with the accounting policies that were applied in the 2024 annual financial statements. The half-year figures do not contain all the information and disclosures required for the full-year financial statements and should therefore be read in conjunction with the financial statements of 31 December 2024 of NWB Bank.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The half-year report has been prepared on the basis of historical cost, with the exception of certain interest-bearing securities and derivatives. Interest-bearing securities and derivatives are stated at fair value. Costs and revenue are recognised in the period to which they relate. The amounts in this half-year report are presented in millions of euros and all amounts in the Notes have been rounded off to the nearest thousand (€ 000), unless stated otherwise.

Some items used in the Financial Statements Formats Decree have been renamed, as these new names better reflect the content, according to NWB Bank.

Continuity

The half-year report has been prepared on the basis of the going-concern assumption.

Recognition

An asset is recognised if it is probable that the future economic benefits will flow to the company and the asset can be measured reliably. A liability is recognised if it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which settlement takes place can be measured reliably.

Financial assets and liabilities (except for the loan principal) are recognised at the transaction date. Accordingly, a financial asset or financial liability is recognised from the time the company has the right to the benefits from or is bound by the obligations arising from the contract terms of the financial instrument. The loan principal is recognised at the settlement date.

Income is recognised in the statement of income if an increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be measured reliably. Expenses are recognised in the statement of income if a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Derecognition of financial assets and liabilities

An asset or liability presented in the balance sheet continues to be recognised if a transaction does not result in a significant change in the economic reality with respect to such an asset or liability. Likewise, such transactions must not result in the reporting of income.

A financial asset or liability (or, if applicable, part of a financial asset or part of a group of similar financial assets or liabilities) is derecognised if the transaction results in the transfer to a third party of all or almost all rights to receive economic rewards and all or almost all risks of the asset or liability.

Measurement

Upon initial recognition, financial assets and liabilities are stated at fair value, including or deducting transaction costs, respectively, directly attributable to the asset's or liability's acquisition or issue, with the exception of the transactions recorded at fair value through profit or loss. The transaction costs directly attributable to these balance sheet items are taken directly to profit or loss.

The fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, independent parties who are willing to enter into a transaction. If a relevant middle rate is available, it is used as the best indication of fair value. For the majority of NWB Bank's financial instruments, the fair value cannot be established on the basis of a relevant middle rate because there is no listing or active market. NWB Bank calculates the fair value of these other financial instruments using models.

The models use various assumptions relating to the discount rate and the timing and size of the future cash flows. When calculating the fair value of options, option pricing models have been used.

After initial recognition, financial assets are classified as loans and receivables, receivables from credit institutions, interest-bearing securities or derivative assets. The loans and receivables, interest-bearing securities held to maturity, other unlisted interest-bearing securities as well as receivables from credit institutions are stated at amortised cost. Other listed interest-bearing securities and derivative assets are subsequently stated at fair value.

After initial recognition, financial liabilities are classified as debts to credit institutions, derivative liabilities, funds entrusted or debt securities. Debts to credit institutions, funds entrusted as well as debt securities are subsequently stated at amortised cost. Derivative liabilities are stated at fair value.

Provision for uncollectible receivables

NWB Bank uses the option to apply the expected loss impairment methodology of IFRS 9 . The impairment model applies to all exposures held under financial assets at amortised cost, interest-bearing securities with value changes stated at fair value recorded directly in equity, and irrevocable commitments and contracts concerning financial guarantees.

Under IFRS 9 these exposures are classified into three groups based on the different stages of credit risk.

Stage 1 includes exposures that show no significant change in credit risk since their initial recognition. A 12-month expected credit loss is recognised for this group, i.e. the expected credit loss based on the probability of default within 12 months of the reporting date.

Stage 2 includes exposures that show a significant increase in credit risk since initial recognition but have not yet defaulted. A lifetime expected credit loss is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate.

Stage 3 includes exposures that are credit impaired. A lifetime expected credit loss is recognised for these exposures, taking into account any guarantees and received collateral.

For exposures included in interest-bearing securities, the bank applies low credit risk exemption available under IFRS 9 to instruments that fall in the category of investment grade.

Hedge accounting

The bank hedges most interest rate and foreign exchange risks related to financial assets and liabilities by using financial instruments. In terms of market value, value changes due to interest rate and foreign exchange fluctuations are offset. Hedge accounting allows the financial results of a hedging instrument and the corresponding hedged position to be recognised simultaneously insofar as the hedging is effective. Hedge accounting is permitted only if adequate documentation has been prepared and the required effectiveness of the hedge is demonstrated. NWB Bank only uses derivative financial instruments as hedging items, and these are stated at fair value in the balance sheet. Together with the value changes in the hedged position related to the hedged risk, value changes in the derivatives which are part of the fair value hedge are recorded in profit or loss as results from financial transactions.

NWB Bank applies two types of fair value hedge accounting: micro-hedging and macro-hedging. Micro-hedging relates to individual transactions that are included in an economic hedge relationship covering interest rate and foreign exchange risks. It involves a one-on-one relationship between the hedged instrument and the hedged item. Macro-hedging relates to a group of transactions that is hedged, for interest rate risk purposes, by using a group of derivative financial instruments. While there is not always a one-on-one relationship between the hedged item and the hedging instrument at an individual level, it is demonstrated at a portfolio level that the derivative financial instruments in question offset the fair value changes of the assets and liabilities in question, respectively, caused by interest rate fluctuations.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are valued in euros at the middle rates at the balance sheet date (published by the ECB). The use of middle rates is connected to the policy of NWB Bank, which states that all foreign currency positions are hedged one-on-one, and which effectively causes the day-to-day foreign currency denominated outflows of funds to be virtually nil.

The balance of gains or losses arising from transactions in foreign currencies are valued at the prevailing rates on the transaction date. All currency translation differences of monetary assets and liabilities are recognised in profit or loss.

Currency swaps are used to hedge foreign exchange exposures on loans receivable and payable. These currency swaps are valued at the fair value of the instrument ruling on the balance sheet date. The results are recorded as results from financial transactions.

Cash, cash equivalents and deposits at the Central Bank

Cash, cash equivalents and deposits at the Central Bank are stated at amortised cost based on the effective interest method less any provision for uncollectibility.

Loans and receivables, and receivables from credit institutions

Loans and receivables, and receivables from credit institutions are stated at amortised cost using the effective interest method, less any provision for uncollectible receivables.

Interest-bearing securities

Interest-bearing securities are primarily intended to be held indefinitely and may be sold to meet liquidity needs or in response to changes in the issuer's risk profile. Interest-bearing securities are initially recognised at fair value. The subsequent measurement of interest-bearing securities can be divided into two sub-categories:

Interest-bearing securities held to maturity

Interest-bearing securities purchased with fixed or determinable payments, of which NWB Bank firmly intends to hold to maturity, and in respect of which it has the contractual and economic ability to do so, are stated at amortised cost using the effective interest method less any provision for uncollectibility.

Other interest-bearing securities

Other unlisted interest-bearing securities are stated in line with the securities held to maturity.

Other listed interest-bearing securities are stated at fair value. As long as the value change of an individual interest-bearing security is positive, it is recorded directly in equity until the time of realisation. Once the interest-bearing security in question is derecognised, the cumulative unrealised gain or loss on an individual asset that was recorded directly in equity is taken to profit or loss. Any cumulative decrease in value below cost is immediately taken to profit or loss. Any subsequent unrealised increase in value of the relevant interest-bearing security is taken to profit or loss if it is below amortised cost. Any increase in value above amortised cost is recorded in equity.

If interest-bearing securities are included in a fair value hedge relationship, the effective part of the hedge is recognised in profit and loss rather than equity.

Intangible assets

This item includes costs and expenditures related to computer software. After initial recognition, the intangible asset is recognised at cost less any accumulated amortisation and impairments. The useful life is five years and amortisation is straight line over the useful life. The amortisation period and amortisation method will be reviewed if there is cause to do so.

Tangible fixed assets

Tangible assets are property and equipment. Property and equipment are stated at acquisition price net of straight-line depreciation. Depreciation of these assets is recognised in profit or loss over the expected useful lives of the assets concerned.

The annual depreciation rates are as follows:

Building	2.5%
Fixtures and installations	10%
Equipment, furniture and fittings, etc.:	
• furniture and fittings, etc.	10%
• office equipment	20%
ICT equipment	20%
Cars	20%

Land is not depreciated.

An asset's residual value, useful life and measurement methods are reviewed and adjusted, if appropriate, on an annual basis.

Derivatives

A derivative is a financial instrument with the following three characteristics:

- The value changes as a result of changes in market factors, such as a certain interest rate, the price of a financial instrument, exchange rates, creditworthiness or other variables (the underlying value).
- No net initial investment or only a minor net initial investment is required in comparison with other types of contracts that respond in a similar way to changes in the market factors mentioned.
- It is settled at a future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into. Any discrepancies between a financial instrument's fair value and the value under the bank's measurement models are amortised over the instrument's term. Derivatives are subsequently remeasured at fair value including accrued interest. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair value on derivatives are recognised in profit or loss under the item results from financial transactions. Generally accepted measurement models are applied, based on the most appropriate valuation curves, including the '€STR curve'. A credit valuation adjustment and a debt valuation adjustment are also included in the measurement.

Embedded derivatives are measured separately if they meet the following characteristics:

- There is no close relationship between the economic characteristics and risks of the embedded derivative and those of the host contract.
- The host contract is not carried at fair value – with changes in value through profit or loss.
- A separate instrument having the same characteristics would be classified as a derivative.

Derivatives meeting these conditions are included in the balance sheet under the host contracts to which they belong and carried at fair value, with changes in value being taken to profit or loss. Contracts are assessed only when the transaction is affected, unless the terms of a contract change such that expected cash flows are significantly impacted.

Debts to credit institutions, funds entrusted, debt securities and subordinated debt

All loans under debts to credit institutions, funds entrusted, debt securities and subordinated liabilities are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently stated at amortised cost using the effective interest method. Gains and losses are recognised in net interest income when the liabilities are derecognised.

Employee benefits and defined pension plan obligations

Pursuant to Dutch Accounting Standard 271 on Employee Benefits, NWB Bank applies the IFRS-EU standard on pensions and other post-retirement benefits (IAS 19) in full. From 1 January 2020, active employees became part of a defined contribution plan. The pension plan for inactive employees concerns a defined benefit plan funded by premiums paid to an insurance company based on regular actuarial calculations.

A defined contribution pension plan is a scheme in which the employee's pension contribution (rather than the payment) is defined. The provision for defined benefit plans is the present value of the pension liabilities at the balance sheet date less the fair value of the plan assets. The defined benefit plan obligations are calculated annually by an independent actuary using the projected unit credit method.

Netting financial assets and financial liabilities

A financial asset and a financial liability are offset and reported on a net basis if there is a legally enforceable right to offset the recognised amounts and if there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to NWB Bank and the revenue can be reliably measured.

Net interest income

Interest income and expenses are recognised in the income statement using the effective interest method. The application of this method includes the amortisation of any discount or premium or other differences (including transaction costs and applicable commissions) between the initial carrying amount of an interest-bearing instrument and the amount at maturity, based on the effective interest method.

Income tax

Income tax is recognised as an expense in the same period as the profit is recognised. Deferred tax assets and deferred tax liabilities are stated on an undiscounted basis.

Current tax assets and liabilities

Current tax assets and liabilities for the current and prior periods are stated at the amount expected to be recovered from or paid to the Dutch Tax and Customs Administration. The tax payable is calculated on the basis of current tax rates and tax laws.

Deferred tax assets and liabilities

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses if it is probable that taxable profit is available against which the deductible temporary differences can be offset, and the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit is available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on current tax rates and tax laws.

Deferred tax assets and liabilities are netted if a right to offset them exists.

Basis for preparation of the statement of cash flows

The statement of cash flows is presented in accordance with the indirect method, distinguishing between the cash flows from operating/banking, investing and financing activities.

Cash and cash equivalents represent assets that can be converted into cash without restriction, including the cash available as well as balances payable on demand at banks and central banks.

The changes in loans and receivables, funds entrusted and those based on receivables from credit institutions and debts to credit institutions are stated under cash flows from operating/banking activities, given the nature of the operations.

Investing activities include the purchase and sale and settlement of interest-bearing securities, as well as the purchase and sale of property and equipment. Long-term loans (terms > 1 year) and short-term loans (terms < 1 year) taken out and repaid are classified as a financing activity.

Segment information

As the bank's organisation is not geared towards operations in different sectors, NWB Bank does not distinguish between operating segments in its assessment and decision-making about returns and the allocation of resources. Accordingly, no segment information is disclosed in this half-year report.

Significant assumptions and estimation uncertainties

The preparation of the financial statements requires that the Managing Board forms opinions and makes estimates and assumptions that have an impact on the application of accounting policies and the reported value of assets and liabilities and of income and expenses. The estimates and associated assumptions are based on past experience, market information and other factors considered to be reasonable given the circumstances. The outcomes form the basis for the opinion on most of the carrying amounts of NWB Bank's assets and liabilities that cannot be easily established from other sources. The actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed periodically.

Revisions of estimates are recognised in the period in which the estimate was revised if the revision only has consequences for that period. If the revision also has consequences for future periods, then the revision is recognised in both the reporting period and future periods.

Opinions formed by the Managing Board that could have a significant impact on the financial statements, and estimates containing a substantial risk of a material adjustment in a subsequent financial year, relate primarily to the measurement of financial assets and financial liabilities stated at fair value, especially to the measurement of derivatives, as well as impairments when applying the expected loss impairment methodology of IFRS 9.

NOTES TO THE STATEMENT OF INCOME

1 NET INTEREST INCOME

(x EUR 1,000)	First half of 2025	First half of 2024
Interest income on cash, cash equivalents and deposits at the Central Bank, credit institutions and on loans and receivables at amortised cost	1,156,318	1,416,231
Interest income on interest-bearing securities	59,736	45,262
Derivatives	1,947,608	2,509,031
Commission	1,419	1,083
Interest income	**3,165,081**	**3,971,607**
Interest expense on credit institutions, funds entrusted, hybrid capital and debt securities at amortised cost	969,508	1,120,290
Derivatives	2,072,949	2,725,835
Negative interest income	1,265	3,254
Interest expense	**3,043,722**	**3,849,379**
Net interest income	**121,359**	**122,228**

Interest income consists of interest income on loans and receivables, interest-bearing securities, cash, cash equivalents and deposits at the Central Bank, as well as interest-like commission, fees received for the early redemption of financial instruments to which no hedge accounting is applied, premiums and discounts. Premiums and discounts on loans and receivables not stated at fair value are recognised using the effective interest method, together with the relevant interest income.

Interest expense consists of interest expenses on liabilities, whether or not embodied in debt securities, and derivatives, as well as paid interest-like commission, compensations paid for early redemption, premiums and discounts. Premiums and discounts on debts, whether or not embodied in debt securities, not stated at fair value are recognised using the effective interest method, together with the relevant interest expense.

Negative interest income concerns the negative interest on financial assets: cash and cash equivalents and deposits at the Central Bank, receivables from credit institutions, and loans and receivables.

Negative interest expense concerns the negative interest on financial liabilities, debts to credit institutions, funds entrusted and debt securities.

The slight decrease in the balance of interest income and interest expense is mainly due to higher reported financing costs in the first half of 2025 compared with the first half of 2024.

2 RESULTS FROM FINANCIAL TRANSACTIONS

NWB Bank applies two types of fair value hedge accounting: micro-hedging and macro-hedging. Micro-hedging relates to individual transactions that are included in an economic hedge relationship covering interest rate and foreign exchange risks. Micro-hedging involves a one-on-one relationship between the hedged instrument and the hedged item. Macro-hedging relates to a group of transactions that is hedged, for interest rate risk purposes, by using a several derivative financial instruments. While there is not always a one-on-one relationship between the hedged item and the hedging instrument at an individual level, it is demonstrated at a portfolio level that the derivative financial instruments in question offset the fair value changes caused by interest rate fluctuations.

The results from financial transactions can be broken down as follows:

(x EUR 1,000)	First half of 2025	First half of 2024
Changes in the fair value of derivatives included in macro-hedge accounting	3,358,482	1,214,637
Revaluation of financial assets and liabilities included in macro-hedge accounting	-3,353,753	-1,216,784
Macro hedge accounting ineffectiveness	**4,729**	**-2,147**
Micro-hedge accounting ineffectiveness	426	739
Total hedge accounting ineffectiveness	**5,155**	**-1,408**
Other changes in the fair value of restructured derivatives included in hedge accounting	-16,103	-15,426
Changes in the fair value of derivatives not included in hedge accounting	2,645	-32
Change in counterparty credit risk (CVA/DVA)	591	626
Results from maturity extensions and early redemptions	311	511
Other fair value changes	5,601	3,875
Total	**-1,800**	**-11,854**

The bank invests in pass-through NHG RMBS. The interest rate risk on these investments is largely hedged with interest rate derivatives, for which the bank applies fair value hedge accounting. The result of this is included under the item ‘Macro-hedge accounting ineffectiveness’.

The other changes in the fair value of restructured derivatives included in hedge accounting were caused by the restructuring of the derivatives portfolio on several occasions in the past with a view to managing the interest rate risk position. As a result, the restructuring of the derivatives portfolio has a favourable effect on net interest income (due to lower interest expenses).

The change in counterparty credit risk (CVA/DVA) relates mainly to an uncollateralised exposure of €120 million to a single financial counterparty arising from outstanding derivative contracts and the associated collateral agreement. The volatility in the result from financial transactions for this item is primarily driven by movements in the credit default swap (CDS) spread of this specific counterparty. No new transactions have been entered into with this counterparty for a considerable time.

The result on maturity extensions and prepayments relates to adjustments to loans at the request of clients.

The other fair value changes include changes in the fair value of financial instruments after the moment of purchase or sale, and entering into or terminating the hedge relationship, changes in the fair value of derivatives entered into for asset and liability management purposes, premiums and fees received and paid upon the settlement of derivative contracts, realised revaluation gains on the sale of interest-bearing securities and commission.

The other fair value changes in 2025 are mainly related to two elements. Most of these concern changes in the fair value of financial instruments after the purchase/sale date and the establishment/termination of the hedge relationship. Additionally, there is a positive unrealised result on listed interest-bearing securities, which are measured at fair value.

NWB Bank borrows significant amounts in foreign currencies. The associated risks are immediately and fully hedged by currency swaps. As a result, the currency risk incurred by NWB Bank is nil.

3 EMPLOYEE BENEFIT EXPENSES AND OTHER ADMINISTRATIVE EXPENSES

The number of employees in employment expressed in FTEs, including the Managing Board, totalled 154.1 as at 30 June 2025 (30 June 2024: 135.7).

(x EUR 1,000)	First half of 2025	First half of 2024
Wages and salaries	8,405	7,620
Pension costs	1,415	1,306
Other social security costs	1,095	760
Other staff costs	3,085	3,991
Total	**14,000**	**13,677**

Salary costs rose mainly as a result of an increase in headcount and the collective labour agreement (CLA) wage increase. Other staff costs increased due to the higher cost of temporary staff.

Other administrative costs increased from €12.4 million in the first half of 2024 to €14.1 million in the first half of 2025 . Other administrative costs have increased due to the contribution to the NWB Water Innovation Fund in the first half of 2025 (compared to nil in the first half of 2024), as well as higher advisory and recruitment costs. This has been offset by lower costs for information and communication (licence costs), resulting in an overall increase in administrative costs.

4 RESOLUTION LEVY

Under the Bank Recovery and Resolution Directive (BRRD), the bank is required to pay a resolution levy. On 10 February 2025, the Single Resolution Board announced that no levy is expected before 2025 as the target level of the Single Resolution Fund has been reached. For the same reason, no levy was charged in 2024 either.

As of 30 June 2025, a cumulative amount of €9.2 million was paid in the form of Irrevocable Payment Commitments (2024: €9.2 million).

5 DEPRECIATION OF RECEIVABLES AND PROVISIONS FOR LIABILITIES INCLUDED IN THE BALANCE SHEET

NWB Bank uses the option to apply the expected loss impairment methodology of IFRS 9. This item can be presented as follows:

(x EUR 1,000)	First half of 2025	First half of 2024
Loans and receivables	-109	156
Interest-bearing securities	-7	-5
Total	**-116**	**151**

A detailed explanation of Expected Credit Loss can be found in section 14.

6 INCOME TAX

(x EUR 1,000)	First half of 2025	First half of 2024
Profit before income tax (incl. extraordinary income)	89,008	81,802
Income tax at 25.8% resp. 25.8%	22,964	21,105
Non-deductible expenses relating to bank tax	2,501	2,457
Adjustments for previous financial years	-	-1
Income tax expense	**25,465**	**23,561**
Effective tax burden (%)	28.6%	28.8%

A minimum capital requirement applies to banks: the thin cap rule. This rule limits the interest deduction for corporate income tax if the leverage ratio is lower than 10.6%. As the bank's leverage ratio (as at 31 December of the previous year) for the calculation of the thin cap rule exceeds 10.6% for the 2025 and 2024 financial years, the charge under this rule is nil.

Mainly due to the non-deductibility of the bank tax, the effective tax rate is higher than the nominal rate of 25.8%.

NOTES TO THE BALANCE SHEET

7 LOANS AND RECEIVABLES

This item consists of loans and receivables, other than interest-bearing securities, from clients other than receivables from credit institutions. The receivables, almost all of which relate to the Dutch public sector, mostly relate to long-term loans granted. Public sector loans and receivables include those to or guaranteed by Dutch public authorities, and to government-controlled public limited liability companies and other businesses or institutions with delegated government duties.

The breakdown of loans and receivables can be depicted as follows:

(x EUR 1,000)	**30 June 2025**	31 December 2024
As at 1 January	**59,157,970**	**55,263,557**
Newly granted long-term loans	5,013,393	10,218,714
Newly granted short-term loans	2,910,474	2,221,579
Redemptions	-6,053,208	-9,984,460
Value adjustment for fair value hedge accounting	-3,399,048	1,438,722
Expected credit loss	-109	-142
Total	**57,629,472**	**59,157,970**

The bank largely hedges the interest rate risks on its loans and receivables through financial instruments. The decrease in fair value hedge accounting in the first half of 2025 reflects the changes in value of the financial instruments involved in the hedging relationship, which occurred as a result of rising interest rates during this period.

A provision for uncollectibility is determined based on the Expected Credit Loss methodology of IFRS 9. This is explained in more detail in section 14.

In 2022, the bank began providing sustainability-linked loans (SLLs) to clients. This portfolio was further expanded in the first half of 2025. The interest rate on these loans partly depends on the achievement of sustainability targets (KPIs) by clients. As of the reporting date, an estimate has been made of the extent to which these KPIs will be achieved and the amounts involved. The carrying amount of these loans is €186.0 million (31 December 2024: €113.0 million).

8 INTEREST-BEARING SECURITIES

This item can be broken down as follows:

(x EUR 1,000)	**30 June 2025**	31 December 2024
Interest-bearing securities held to maturity	1,170,924	-
Other listed interest-bearing securities	948,556	862,327
Other unlisted interest-bearing securities	4,805,513	4,721,260
Total	**6,924,993**	**5,583,587**

In 2025, the bank expanded its portfolio of 'interest-bearing securities held to maturity' in anticipation of increased collateral requirements and the rising cost of using liquid assets.

Part of the interest-bearing securities is the investment in the senior notes of pass-through NHG RMBS (Residential Mortgage-backed Securities) in line with the third pillar of the 'financing partner to enhance sustainability in the Netherlands' strategy. The bank would therefore like to help reduce mortgage costs for owners of sustainable homes that benefit from a national mortgage guarantee. The total investment of

€2,836 million (31 December 2024: €2,864 million) is included under the item 'Other unlisted interest-bearing securities'.

A provision for uncollectibility is determined based on the Expected Credit Loss methodology of IFRS 9. This is explained in more detail in section 14.

9 TANGIBLE ASSETS

This item comprises capitalised expenses related to the office building and other equipment. Other equipment primarily concerns inventory, ICT equipment and cars.

The breakdown of this item in 2025 and 2024 is as follows:

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Carrying amount as at 1 January 2025	**3,427**	**1,285**	**4,712**
Additions 2025	-	48	48
Disposals 2025	-	-	-
Depreciation in 2025	-168	-267	-435
Carrying amount as at 30 June 2025	**3,259**	**1,066**	**4,325**
Carrying amount as at 1 January 2024	**3,839**	**1,325**	**5,164**
Additions 2024	11	704	715
Disposals 2024	-	-90	-90
Depreciation in 2024	-423	-654	-1,077
Carrying amount as at 31 December 2024	**3,427**	**1,285**	**4,712**

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Additions	12,739	12,596	25,335
Depreciation	-9,480	-11,530	-21,010
Carrying amount as at 30 June 2025	**3,259**	**1,066**	**4,325**

(x EUR 1,000)	Property in use by the bank	Other equipment	Total
Additions	12,739	12,548	25,287
Depreciation	-9,312	-11,263	-20,575
Carrying amount as at 31 December 2024	**3,427**	**1,285**	**4,712**

10 DERIVATIVE ASSETS

This item consists of interest rate swaps and currency swaps, caps, floors and swaptions. These products are carried at fair value, including accrued interest. Generally accepted valuation models are applied, based on the most appropriate valuation curves. In the breakdown of derivatives below for 30 June 2025, derivatives totalling €405,436 (31 December 2024: €243,671) were not included in hedge accounting.

Breakdown by remaining term to maturity of fair values, respectively, as at 30 June 2025 and 31 December 2024:

(x EUR 1,000)	<3 months	3-12 months	1-5 years	>5 years	Total
30 June 2025					
Interest rate swaps	195	750	25,756	4,213,607	4,240,308
Currency swaps	-	18,731	371,959	59,688	450,378
Caps, floors and swaptions	-	40	281	158,177	158,498
Total	**195**	**19,521**	**397,996**	**4,431,472**	**4,849,184**
31 December 2024					
Interest rate swaps	106	1,100	39,656	3,219,077	3,259,939
Currency swaps	269,881	274,514	575,263	141,200	1,260,858
Caps, floors and swaptions	-	-	579	218,870	219,449
Total	**269,987**	**275,614**	**615,498**	**3,579,147**	**4,740,246**

11 DEBTS TO CREDIT INSTITUTIONS

This item comprises - other than embedded-debt securities to domestic and foreign credit institutions, and can be broken down as follows:

(x EUR 1,000)	30 June 2025	31 December 2024
Debts to credit institutions short term	579,888	600,000
Liabilities under collateral arrangements	1,034,840	914,190
Exposure central clearing	34,587	11,369
Accrued interest	3,640	5,168
Carrying amount Debts to credit institutions short term	**1,652,955**	**1,530,727**
Debts to credit institutions long term	1,151,851	1,190,243
Value adjustment for fair value hedge accounting	-83,841	-68,057
Accrued interest and premium/discount	3,883	5,434
Carrying amount Debts to credit institutions long term	**1,071,893**	**1,127,620**
Carrying amount as at 30 June, 31 December	**2,724,848**	**2,658,347**
Movement in Debts to credit institutions long term		
As at 1 January	1,190,243	834,431
Loans taken out at credit institutions	-	475,626
Redemptions and currency revaluations	-38,392	-119,814
As at 30 June, 31 December	**1,151,851**	**1,190,243**

The collateral included in this item concerns collateral held under collateral arrangements related to derivative contracts. The 'Exposure central clearing' item comprises the balance of the daily offset of the derivatives against the collateral received or paid with central counterparties.

12 DEBT SECURITIES

This item comprises marketable interest-bearing securities and can be specified as follows:

(x EUR 1,000)	30 June 2025	31 December 2024
Bond loans	62,064,402	61,437,156
Value adjustment for fair value hedge accounting	-5,192,840	-4,904,948
Accrued interest and premium/discount	375,883	474,805
Carrying amount Bond loans	**57,247,445**	**57,007,013**
Short-term debt securities	16,172,749	5,721,636
Value adjustment for fair value hedge accounting	-3,663	-2,790
Accrued interest	97,955	42,963
Carrying amount Short-term debt securities	**16,267,041**	**5,761,809**
Carrying amount as at 30 June, 31 December	**73,514,486**	**62,768,822**
Movement in bond loans		
As at 1 January	61,437,156	60,684,098
Bond loans	7,314,809	9,510,086
Redemptions and currency revaluations	-6,687,563	-8,757,028
As at 30 June, 31 December	**62,064,402**	**61,437,156**

As part of its sustainability strategy, NWB Bank finances itself (in part) through the issuance of ESG (Environmental, Social and Governance) Bonds. These consist of SDG Housing Bonds, which are used to finance social housing in the Netherlands, and Water Bonds, which are used to finance water authorities. As at 30 June 2025, the nominal value of the outstanding ESG Bonds was €26.9 billion (31 December 2024: €25.3 billion).

In addition to commitments to cash loans and fulfilment of collateral obligations, the increase in short-term securities primarily reflects an increase in the bank's liquidity buffer.

13 DERIVATE LIABILITIES

This item consists of interest rate swaps and currency swaps, caps, floors and swaptions. These products are carried at fair value, including accrued interest. Generally accepted valuation models are applied, based on the most appropriate valuation curves. In the breakdown of derivatives below for 30 June 2025, derivatives totalling €6,685 (31 December 2024: €260,293) were not included in hedge accounting.

Breakdown by remaining term to maturity of negative fair values as at 30 June 2025 and 31 December 2024:

(x EUR 1,000)	<3 months	3-12 months	1-5 years	>5 years	Total
30 June 2025					
Interest rate swaps	277	3,361	42,622	2,129,430	2,175,690
Currency swaps	519,379	171,402	900,994	354,233	1,946,008
Caps, floors and swaptions	-	-	237	157,254	157,491
Total	**519,656**	**174,763**	**943,853**	**2,640,917**	**4,279,189**
31 December 2024					
Interest rate swaps	744	451	41,169	2,746,080	2,788,444
Currency swaps	-	103,316	256,945	343,212	703,473
Caps, floors and swaptions	-	-	493	217,836	218,329
Total	**744**	**103,767**	**298,607**	**3,307,128**	**3,710,246**

OTHER NOTES TO THE HALF-YEAR FIGURES

14 EXPECTED CREDIT LOSS

NWB Bank uses the option to apply the 'expected loss impairment methodology' of IFRS 9. Under IFRS 9, NWB Bank recognises a provision for expected credit loss (ECL) for each client with a credit (facility). A provision is also made 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 is guaranteed by the government. As a result, there is limited credit risk.

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

The table below depicts the course of the expected credit loss in 2024 and the first half of 2025:

(x EUR 1,000)	As per 31 December 2024	First half of 2025	As per 30 June 2025
Loans and receivables	-583	-109	-692
Interest-bearing securities	-3	-7	-10
Total	**-586**	**-116**	**-702**

(x EUR 1,000)	As per 31 December 2023	2024	As per 31 December 2024
Loans and receivables	-441	-142	-583
Interest-bearing securities	-9	6	-3
Total	**-450**	**-136**	**-586**

Broken down by cause, the summary of movements is as follows:

(x EUR 1,000)	2025	2024
Total as at 1 January	**-586**	**-450**
Update macro-economic projections	10	129
Change in LGD	-	56
Adjustments credit risk scores	-126	-321
Total as at 30 June, 31 December	**-702**	**-586**

The breakdown of ECL recognised in the statement of income for the financial year is as follows:

(x EUR 1,000)	From 01-01-2025 to 30-06-2025 Stage 1	Stage 2	Stage 3	Total
Mutation ECL in P&L				
- Increase through new loans and loans taken over	52	31	-	83
- Decrease through redemptions	-3	-	-	-3
- Changes by credit risk (net)	27	9	-	36
Total	**76**	**40**	**-**	**116**

(x EUR 1,000)	From 01-01-2024 to 31-12-2024 Stage 1	Stage 2	Stage 3	Total
Mutation ECL in P&L				
- Increase through new loans and loans taken over	30	-	-	30
- Decrease through redemptions	-17	-	-	-17
- Changes by credit risk (net)	-56	179	-	123
Total	**-43**	**179**	**-**	**136**

In 2025, the bank reassessed and incorporated the macro-economic parameters in the ECL model. The following LGD percentages are distinguished (further refined in the first half of 2024): loans to the government or guaranteed by the government 0%; loans guaranteed by non-governmental institutions 10%; project finance 20%; loans to public limited companies (NV) owned by the government 25%; and finally, other non-guaranteed loans 30%.

Impairment of loans and receivables and interest-bearing securities

The following table provides a breakdown of the loans and receivables and interest-bearing securities (already provided and still to be provided) to which the ECL model is applied. It should be noted that this analysis does not take any potential guarantees into consideration.

Stage 1: These are the performing exposures without a Significant Increase of Credit Risk (SICR) since the starting date.

Stage 2: These are the performing exposures with a SICR since the starting date.

Stage 3: These are the non-performing exposures that are credit-impaired.

(x EUR 1,000)	Gross carrying amount	Performing Stage 1	Performing Stage 2	Non-Performing Stage 3
as of 30 June 2025				
Loans and receivables	61,719,694	60,941,046	720,281	58,367
Interest-bearing securities	6,664,038	6,664,038	-	-
Total	**68,383,732**	**67,605,084**	**720,281**	**58,367**

(x EUR 1,000)	Gross carrying amount	Performing Stage 1	Performing Stage 2	Non-Performing Stage 3
as of 31 December 2024				
Loans and receivables	63,069,801	59,779,205	3,207,831	82,765
Interest-bearing securities	5,357,860	5,357,860	-	-
Total	**68,427,661**	**65,137,065**	**3,207,831**	**82,765**

The decrease in exposure in stage 2 in 2025 is mainly due to an improvement in the credit risk score of two large housing associations. This change has no impact on the ECL provision, as the exposure is government guaranteed.

At the end of June 2025, €58.4 million (31 December 2024: €82.8 million) was classified as 'credit impaired'. This amount concerns exposures in Stage 3 and relates to exposures to 6 (31 December 2024: 7) clients. These exposures are guaranteed by the government and will not lead to an ECL provision or to a write-off.

Following is a more detailed explanation of how the stages progress:

Stage 1: 12-month ECL

Stage 1 includes exposures that show no SICR since their initial recognition. A 12-month ECL is recognised for this group, which is the ECL based on the probability that the exposure will default within 12 months of the reporting date. The 12-month ECL is calculated for all individual exposures as a function of the EAD, PD and LGD and includes forward-looking (macro-economic) indicators. Essentially, an exposure moves from Stage 1 to Stage 2 if one of the following criteria are met:

1. A loan claim has been outstanding for more than or equal to 30 days (30-day indicator serves as a 'backstop indicator');
2. There is a significant increase in the credit risk compared with the time the loan was granted. There is a SICR if an internal rating limit has been exceeded;
3. Other qualitative indicators including information from a credit rating agency, the qualification of an exposure as 'forborne performing' or if an exposure is on the internal watch list.

The 12-month ECL is calculated for all individual exposures as a function of the EAD, PD and LGD and including forward-looking (macro-economic) indicators.

Stage 2: life-time ECL (not credit-impaired)

Stage 2 includes exposures that show a SICR since initial recognition but have not defaulted. A lifetime ECL is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate. The lifetime ECL is calculated for all individual exposures as a function of the EAD, PD and LGD and including forward-looking (macroeconomic) indicators.

To determine whether an exposure moves from Stage 2 to Stage 3, the 90-day arrears period acts as a backstop indicator.

An exposure enters stage 3 if it is credit-impaired. This may be the case when:

1. a substantial claim has been outstanding for more than 90 days;
2. the bank considers it unlikely that the client will meet its credit claims ('unlikely-to-pay' (UTP)) without recourse to remedial action such as invoking a guarantee.

Stage 3: life-time ECL (credit-impaired)

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.

A lifetime ECL is recognised for these exposures, taking into account any guarantees and received collateral. This concerns the expected shortfalls on the contractual cash flows for the remaining duration of the exposure, discounted at the effective interest rate. The lifetime ECL is calculated for all individual exposures as a function of EAD, PD and LGD and including forward-looking (macro-economic) indicators. Subsequently, the lifetime ECL is deducted from the outstanding gross carrying amount on the balance sheet. In other words, an impairment is taken on the exposure.

Migrating back to a higher ECL stage

If the creditworthiness improves and the exposure no longer meets the above criteria, an exposure can migrate from Stage 2 to Stage 1 or from Stage 3 to Stage 2. This occurs according to the bank's ECL Policy, Credit Risk Management Policy and Non-Performing Loan Policy.

Determining a significant increase in credit risk (SICR)

A SICR exists when the credit rating at the time of reporting has significantly deteriorated compared with the credit rating at origination date. Whether there is a SICR depends on the credit risk classification:

- exposures taken with a credit rating of 7 or better (i.e. ≤ 7): significant credit risk increase occurs when the credit rating shifts to 8 or worse (i.e. ≥ 8); and
- exposures taken with a credit rating of 8 or worse (i.e. ≥ 8): significant credit risk increase occurs when the credit rating shifts a notch. For example, from 8 to 9 is a one-notch shift.

NWB Bank has an internal credit rating scale from 1 to 15. Credit ratings 1 to 7 relate to higher-creditworthy classified exposures (investment grade); ratings 8 to 14 relate to lower-creditworthy classified exposures (non-investment grade); and 15 relates to exposures in default. The internal credit rating scale is calibrated with the help of a reputable external credit rating agency. Internal credit ratings of > 7 are non-investment grade and correspond to a rating of BB+ or worse by the above-mentioned external credit rating agency.

Rating classes

The ECL provision is based on rating classes. The following overview shows the ECL per rating class. The breakdown as at 30 June 2025 and 31 December 2024 is as follows:

(x EUR 1,000) 30 June 2025	Stage 1			Stage 2			Stage 3		
Rating class	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL
1	1,973,698	3,934,254	3	-	-	-	-	-	-
2	5,681,864	19,467	-	-	-	-	-	-	-
3	6,274,067	-	-	-	-	-	-	-	-
4	25,159,285	1,626,895	74	350,457	-	-	5,645	-	-
5	15,813,648	659,679	77	67,518	-	-	23,489	-	-
6	4,150,178	615,490	81	94,659	-	-	-	-	-
7	779,511	818,386	150	98,139	38,242	79	9,033	-	-
8	51,875	36,372	17	363	33,877	219	-	-	-
9	-	-	-	6,684	-	-	-	-	-
10	-	-	-	30,070	-	-	-	-	-
11	10,415	-	-	272	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	20,200	-	-
Total	**59,894,541**	**7,710,543**	**402**	**648,162**	**72,119**	**298**	**58,367**	**-**	**-**

(x EUR 1,000) 31 December 2024	Stage 1			Stage 2			Stage 3		
Rating class	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL	Gross carrying amount guaranteed	Gross carrying amount not guaranteed	ECL
1	889,290	3,423,976	3	-	-	-	-	-	-
2	5,065,493	19,484	-	-	-	-	-	-	-
3	6,866,849	-	-	-	-	-	-	-	-
4	24,899,638	1,812,855	79	351,522	-	-	-	-	-
5	16,372,444	355,405	37	776,279	-	-	-	-	-
6	3,093,289	490,451	52	1,854,143	-	-	-	-	-
7	798,430	957,831	149	41,739	31,626	75	-	-	-
8	10,596	21,506	8	60,497	24,835	184	-	-	-
9	-	-	-	6,725	-	-	-	-	-
10	-	-	-	60,197	-	-	-	-	-
11	59,528	-	-	268	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	82,765	-	-
Total	**58,055,557**	**7,081,508**	**328**	**3,151,370**	**56,461**	**259**	**82,765**	**-**	**-**

Rating classes 1 to 7 are classified as 'investment grade', while rating classes 8 to 14 are 'non-investment grade'. Finally, rating class 15 concerns the classification 'default'. The guaranteed exposures have an LGD of 0%.

Analysis of the 'performing exposures' according to maturity date

The following table shows the amounts that have become due but have not yet been received at reporting date, which have not been included in Stage 3.

	30 June 2025	31 December 2024
(x EUR 1,000)		
Less than or equal to 30 days	3,242	851
Greater than 30 days and less than or equal to 60 days	-	-
Total	3,242	851

Parameters and assumptions used

The ECL of a financial asset is determined on the basis of 12 months or its entire term, depending on whether there has been a significant increase in credit risk. The total ECL is determined based on the product of the PD, LGD and EAD, discounted to reporting date.

Probability of Default (PD)

The PD is used to determine the ECL and the SICR. The bank has developed PD models for its lending for which no external rating is available, which are largely based on expert judgement combined with accepted mathematical techniques.

Loss Given Default (LGD)

The LGD concerns the loss in case of non-payment. The majority of the bank's portfolio consists of loans guaranteed by the Dutch government.

Exposure at Default (EAD)

The EAD concerns the expected value of the exposure at the moment when the counterparty defaults. This value includes the principal amount, the accrued interest the premium/discount, the value adjustment resulting from the application of fair value hedge accounting and any amount due but not yet received. The effect of potential early redemptions is minimal and therefore not included in the EAD.

Low credit risk exemption

For exposures included in the item interest-bearing securities, the bank applies a 'low credit risk exemption' (LCRE) in accordance with IFRS 9. IFRS 9 allows the bank to assume, without further analysis, that the credit risk on a financial instrument has not increased significantly since its initial recognition if it is determined that the financial instrument has a low credit risk at the reporting date. An external rating of investment grade is an example of a financial instrument that can be considered low credit risk.

From credit risk score per client to PD rating per exposure

NWB Bank assigns an (internal) PD rating to each exposure at the time of origination. The PD rating is derived from the Master Scale of the ECL model. An important input for the ECL model is the Credit Risk Score (CRS) established by the Risk Management department. The bank assigns a CRS to each client to calculate the ECL per exposure. CRSs have a scale of best to worst scores ranging from 1 to 21. The internal credit ratings from the Master Scale are used in accordance with IFRS guidelines. The Master Scale links CRSs with default rates and the final credit rating. The Master Scale developed by the bank is calibrated with the help of a reputable external credit rating agency and has been validated. The CRS is reviewed periodically in accordance with the credit management cycle to determine whether it is a SICR under ECL IFRS guidelines.

Macro-economic variables

Macro-economic variables are taken into account for the determination of the ECL. This implies taking into account forward-looking developments that may affect potential credit losses. The macro-economic variables that the bank's internally developed models have taken into account are unemployment and inflation. In June 2025, the bank updated the projections for inflation and unemployment. This was done using input data from the Netherlands Bureau for Economic Policy Analysis (CPB) and the ECB's scenarios on inflation and unemployment for the eurozone respectively.

The following breakdown provides an overview of the macro-economic variables and their weighting.

	Scenario	Weighting as at 30 June 2025	Weighting as at 31 December 2024
Macro-economic variable			
Unemployment	Base scenario	0.60	0.60
	Upward scenario	0.10	0.10
	Downward scenario	0.30	0.30
Inflation	Base scenario	0.60	0.60
	Upward scenario	0.10	0.10
	Downward scenario	0.30	0.30

The following breakdown provides an overview of the macro-economic variables and the percentages used in the baseline scenario.

	Year	% as at 30 June 2025	% as at 31 December 2024
Unemployment	2025	3.80	3.80
	2026	4.00	4.10
	2027	4.10	4.30
Inflation	2025	3.00	2.80
	2026	2.40	2.90
	2027	2.20	2.30

Sensitivity analysis

The following analysis was carried out to measure the ECL's sensitivity to the various factors. The calculation of the ECL is partly determined by the assumed macro-economic variables. The following overview shows the impact on the ECL in different scenarios.

Breakdown of the ECL by economic scenarios

		2025	2026	2027	Probability-weighting scenario	Weighted ECL	Total ECL
30 June 2025							
Scenario 1: Down market	Inflation NL	2.74	1.76	1.56	0.30	254	
	Unemployment NL	4.03	4.78	4.88	0.30		
Scenario 2: Stable	Inflation NL	3.00	2.40	2.20	0.60	397	702
	Unemployment NL	3.80	4.00	4.10	0.60		
Scenario 3: Up market	Inflation NL	3.18	3.06	2.86	0.10	51	
	Unemployment NL	3.66	3.16	3.26	0.10		

		2025	2026	2027	Probability-weighting scenario	Weighted ECL	Total ECL
31 December 2024							
Scenario 1: Down market	Inflation NL	2.76	1.86	1.66	0.30	222	
	Unemployment NL	4.58	4.88	5.08	0.30		
Scenario 2: Stable	Inflation NL	2.80	2.90	2.30	0.60	326	586
	Unemployment NL	3.80	4.10	4.30	0.60		
Scenario 3: Up market	Inflation NL	4.06	3.16	2.96	0.10	38	
	Unemployment NL	2.96	3.26	3.46	0.10		

Analysis 1: Sensitivity of the ECL if 100% of the individual scenarios were to be applied
The table below shows the sensitivity of the ECL if 100% of the individual scenarios (downward, basis and upward) were to be applied to all exposures at the end of June 2025. Given the limited size of non-government guaranteed exposures, the sensitivity to the different scenarios is limited.

Sensitivity Analysis - scenarios as per 30 June 2025	100% Downward scenario	100% Basis scenario	100% Upward scenario
(x EUR 1,000)			
ECL	848	661	509

Sensitivity Analysis - scenarios as per 31 December 2024	100% Downward scenario	100% Basis scenario	100% Upward scenario
(x EUR 1,000)			
ECL	739	544	382

Analysis 2: All Credit Risk Scores deteriorate by 1 step (CRS+1)
In this analysis, the most important factor in the calculation of the ECL, Credit Risk Scores (CRS), is shifted with a deterioration of plus 1. The impact of this shift on the ECL is an increase of approximately €1.1 million (31 December 2024: €1.3 million). As a result, the ECL would be approximately €1.8 million (31 December 2024: €1.9 million) instead of the amount of €0.7 million reported on 30 June 2025 (31 December 2024: €0.6 million).

15 DIVIDEND
The dividend of €50 million proposed in the 2024 financial statements and adopted by the General Meeting of Shareholders was paid out in April 2025 and is recognised in other reserves.

16 TIER 1 CAPITAL RATIO
The implementation of CRR3 (Capital Requirements Regulation III) took effect in 2025. As part of the EU banking package, CRR3 aims to strengthen financial stability by increasing capital requirements for banks and improving risk assessment. The purpose of CRR3 is to reinforce banks' capital buffers and enhance risk management. As part of this, the risk weights in the Basic Approach (previously Standardised Approach (SA)) for credit risk have been adjusted. NWB Bank uses the Basic Approach to calculate risk-weighted assets.

(x EUR 1,000,000)	30 June 2025	31 December 2024
Equity excluding profit for the current financial year	2,043	2,000
Intangible assets	-11	-11
Prudential filters	-10	-11
CET1 capital	2,022	1,978
Additional Tier 1 capital	329	321
Tier 1 capital (A)	**2,351**	**2,299**
Weighted credit risk (SA)[1]	3,910	3,858
Capital requirement pursuant to CVA (BA SA)[2]	1,388	1,202
Weighted operational risk (SA)[1]	447	489
Risk-weighted assets (B)	**5,745**	**5,549**
Tier 1-ratio (A/B)	**41%**	**41%**

1) Standardised Approach
2) 2025: Basic Approach and 2024: Standardised Approach

Visible equity stood at €2,043 million (excluding profit for the current financial year) at the end of June 2025, compared with €2,000 million (excluding profit for the current financial year) at the end of 2024. CET 1 capital including Additional Tier 1 capital amounted to €2,351 million (excluding profit for the current financial year) at the end of June 2025, compared with €2,299 million (excluding profit for the current financial year) at the end of 2024. The bank's total risk-weighted assets rose from €5,549 million at the end of 2024 to €5,745 million at the end of June 2025. This increase is largely due to the higher capital requirement for the Credit Valuation Adjustment (CVA) under CRR3.

17 EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date that need further explanation.

MANAGING BOARD AND SUPERVISORY BOARD

Managing Board

Lidwin van Velden

Ard van Eijl

Frenk van der Vliet

Supervisory Board

Joanne Kellermann

Toon van der Klugt

André ten Damme

Geert Embrechts

Caroline Oosterloo

Maarten Otto

Annette Ottolini

The Hague, 29 August 2025

OTHER INFORMATION

3

GLOSSARY

CET 1 capital ratio
The bank's core capital as a percentage of total risk exposure.

Tier 1 capital ratio
The total of the core capital including Additional Tier 1 capital (together the Tier 1 capital) of the bank expressed as a percentage of total risk exposure.

Cost/income ratio
Operating expenses (excluding bank tax, resolution levy and Expected Credit Loss) compared to operating income.

Dividend pay-out ratio
Dividend pay-out relative to net profit.

Leverage ratio (adjusted for promotional assets)
The ratio between the Tier 1 capital and the (adjusted) total assets of the bank. The promotional assets are not included in the total assets.

Leverage ratio (not adjusted for promotional assets)
The ratio between the Tier 1 capital and the (unadjusted) total assets of the bank. The promotional assets are included in the total assets.

Promotional asset
A loan granted directly or through an intermediary credit institution on a non-competitive, not-for-profit basis by a public development credit institution or an entity set up by the central government, regional government or local government of a Member State of the European Union to promote the policy objectives of the central government, regional government or local government of a Member State.

Liquidity Coverage Ratio
The Liquidity Coverage Ratio (LCR) is an indicator that shows whether there are sufficient liquid assets to absorb a 30-day period of stress.

Net Stable Funding Ratio
The aim of the Net Stable Funding Ratio (NSFR) is to determine the extent to which longer-term assets are financed with more stable forms of funding.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO: THE SHAREHOLDERS AND SUPERVISORY BOARD OF NEDERLANDSE WATERSCHAPSBANK N.V.

Our conclusion

We have reviewed the interim financial information included in the accompanying half-year report of Nederlandse Waterschapsbank N.V. based in The Hague for the period from 1 January 2025 to 30 June 2025.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of Nederlandse Waterschapsbank N.V. (hereinafter: NWB Bank) for the period from 1 January 2025 to 30 June 2025, is not prepared, in all material respects, in accordance with Richtlijn voor de Jaarverslaggeving 394 "Tussentijdse berichten" (Dutch Accounting Standard 394 on Interim Reports).

The interim financial information comprises:

- the balance sheet as at 30 June 2025;
- the statement of income, statement of comprehensive income, the statement of changes in equity and the condensed statement of cash flows for the period from 1 January 2025 to 30 June 2025;
- the notes comprising of a summary of accounting policies and selected other information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the interim financial information section of our report.

We are independent of NWB Bank in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the management board and supervisory board for the interim financial information

The management board is responsible for the preparation and presentation of the interim financial information in accordance with Richtlijn voor de Jaarverslaggeving 394 "Tussentijdse berichten" (Dutch Accounting Standard 394 on Interim Reports). Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing NWB Bank's financial reporting process.

Our responsibilities for the review of the interim financial information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of NWB Bank and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information
- Making inquiries of the management board and others within NWB Bank
- Applying analytical procedures with respect to information included in the interim financial information
- Obtaining assurance evidence that the interim financial information agrees with, or reconciles to, NWB Bank's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether the management board has identified all events that may require adjustment to or disclosure in the interim financial information
- Considering whether the interim financial information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Amsterdam, 29 August 2025

EY Accountants B.V.

Signed by R. Koekkoek