



**nationale  
nederlanden**

## **Green Bond Allocation Report**

**Nationale-Nederlanden Bank N.V.**

Financial Year 2021

## NN Bank Green Bond Allocation Reporting

As a mortgage provider, NN Bank wants to contribute to the reduction of greenhouse gas emission in houses NN Bank finances. We encourage our customers to reduce emissions by making their homes more sustainable. NN Bank believes that Green Bonds are an effective tool to channel financing to projects that have demonstrated clear environmental or climate benefits and contribute to the achievement of the Sustainable Development Goals.

31 December 2021

Eligible Green Loan Portfolio			Green Funding			
Category	Number of properties	Amount (EURm) <sup>1</sup>	Instrument (ISIN)	Issuance Date	Maturity Date	Amount (EURm)
<b>Green Buildings<sup>2</sup></b>	13,395	3,984	XS2388449758 <sup>3</sup>	Sept 2021	Sept 2028	500
<b>Total</b>		3,984	<b>Total</b>			500

Percentage of Eligible Green Loan Portfolio allocated to net proceeds of green funding (usage):	13%
Percentage of net proceeds of Green Bond allocated to Eligible Green Loan Portfolio:	100%
Alignment with EU Taxonomy Technical Screening Criteria (Climate Delegated Acts)	100%
Eligible Green Loan Portfolio - Unallocated (EURm)	3,484
New Loans in the Eligible Green Loan Portfolio since 31 Dec 2020 (EURm)	571

<sup>1</sup> These Amounts represent the 31 December 2021 total outstanding to loans that NN Bank has identified as Eligible Green Loans in accordance with the NN Bank Green Bond Framework 2021. KPMG's Limited Assurance Report in relation to the Eligible Green Loan Portfolio and respective disclosed Amounts, is included on the following pages.

<sup>2</sup> Green Buildings include residential buildings with an EPC "A" and belonging to the top 15% low-carbon residential buildings in The Netherlands, as defined in the Green Bond Framework 2021. For refurbished Dutch residential properties, NN Bank has identified Eligible Green Loans that meet the 30% improvement criteria in our Green Bond Framework. However, these loans are not included in the Eligible Green Loan Portfolio as NN Bank is not yet able to evidence the *maximum of three years* for the succession of the sustainability improvements or to isolate the investments directly facilitating those improvements to ensure EU Taxonomy alignment. Nevertheless, while we do not include these loans in the Eligible Green Loan Portfolio, they are indicative of the broader positive climate impact associated with the buildings financed through our mortgage book.

<sup>3</sup> This Green Bond is aligned with the low carbon buildings criteria of the Climate Bonds Standard



# Assurance report of the independent auditor

To: the Management Board of Nationale-Nederlanden Bank N.V. and the holders of Green Bonds issued by Nationale-Nederlanden Bank N.V.

## **Our conclusion**

We have reviewed the Eligible Green Loan Portfolio as included in the Green Bond Allocation Report (hereafter ‘the Report’) dated 31 December 2021, of Nationale-Nederlanden Bank N.V. (hereafter: NN Bank) based in The Hague. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Eligible Green Loan Portfolio is not prepared, in all material respects, in accordance with the Eligibility Criteria as described in the NN Bank Green Bond Framework 2021 (hereafter ‘the NN Bank Green Bond Framework’).

## **Basis for our conclusion**

We performed our review in accordance with Dutch law, including Dutch Standard 3000A ‘Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the ‘Auditor’s responsibilities’ section of our report.

We are independent of NN 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). Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

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

## **Applicable Criteria**

The Eligible Green Loan Portfolio needs to be read and understood together with the Eligibility Criteria. NN Bank is solely responsible for selecting and applying these Eligibility Criteria, taking into account applicable law and regulations related to reporting.

The Eligibility Criteria used for the preparation of the Eligible Green Loan Portfolio are the Eligibility Criteria as described in the NN Bank Green Bond Framework.

## **Responsibilities of the Executive Board**

The Management Board of NN Bank is responsible for the preparation of the Report including the Eligible Green Loan Portfolio in accordance with the Eligibility Criteria as described in the NN Bank Green Bond Framework. It is important to view the Eligible Green Loan Portfolio in the context of these Eligibility Criteria.

Furthermore, the Management Board is also responsible for such internal control as it determines is necessary to enable the preparation of the Report including the Eligible Green Loan Portfolio to be free from material misstatements, whether due to fraud or error.

### ***Auditor's responsibilities***

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

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Report. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included, among other things, the following procedures:

- Identifying areas of the Eligible Green Loan Portfolio where a material misstatement, whether due to fraud or error, is most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion.
- Reviewing the second party opinion from Sustainalytics which addresses the alignment of the NN Bank Green Bond Framework with the Green Bond Principles 2018.
- Reviewing the application of the Eligibility Criteria used in the preparation of the Eligible Green Loan Portfolio in the Report.
- Considering the internal control relevant to our review in order to select assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control.
- Interviewing relevant staff for the Green Bond management, reporting, and providing and consolidating the Eligible Green Loan Portfolio as included in the Report.
- Evaluating internal and external documentation, based on limited sampling, to determine whether the information in the Report is plausible and in line with the Eligibility Criteria.

We have communicated with management regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.



### ***Restriction of Use of Our Report***

Our report may not be suitable for others than the Management Board of NN Bank and the holders of Green Bonds. Therefore, our report is intended solely for the Management Board of NN Bank and the holders of Green Bonds and should not be distributed to other parties and used for other purposes.

Amstelveen, 21 April 2022

KPMG Accountants N.V.

M. Frikkee RA

Partner