

Capital Requirements Regulation (CRR) 2023 Remuneration Disclosure

Nationale-Nederlanden Bank N.V. ('NN Bank')

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The information below provides detailed information on the remuneration for NN Bank's Identified Staff, i.e. staff whose professional activities have a material impact on NN Bank's risk profile. The data presented is based on applicable (European) legislation as incorporated into the remuneration policies and principles that were applicable throughout 2023. This section is divided into the following subsections:

- Governance
- Performance management principles
- Remuneration principles and policy
- Identified Staff remuneration in detail
- Quantitative information

1 Governance

Prior to the annual general meeting (AGM) of NN Group N.V. ('NN Group') on 2 June 2023, the remuneration of Identified Staff was governed by the Remuneration Committee, a committee of the Supervisory Board of NN Group. After this date, the Remuneration Committee and the Nomination and Corporate Governance Committee have been combined into the Nomination, Remuneration and Governance Committee ('NRG' Committee). The NRG Committee advises the Supervisory Board, among other things, on the remuneration and remuneration policies with respect to Identified Staff. For the performance of these tasks, the NRG Committee receives information from compensation committees at lower levels in the organisation. In these compensation committees, NN Group's control functions Finance, Risk, Compliance, Human Resources and Legal are represented. The NRG Committee is authorised to engage external remuneration advisors. In 2023 it made use of the services of Willis Towers Watson.

The members of the Remuneration Committee of NN Group until 2 June 2023 are:

Mrs. H.M. (Hélène) Vletter-van Dort, Chair (until 2 June 2023)
Mrs. P.F.M. (Pauline) van der Meer Mohr
Mr. J.W. (Hans) Schoen
Mr. R.J.W. (Rob) Lelieveld
Mrs. C.G. (Cecilia) Reyes

The Remuneration Committee met three times in 2023 prior to the AGM of NN Group and discussed (inter alia) off cycle remuneration proposals, the regulatory developments and discussed and reviewed the Identified Staff selection criteria and the selection of Identified Staff members. In addition to the regular Remuneration Committee meetings, one meeting combined with the Nomination and Corporate Governance Committee was held (Combined Meetings).

The members of the NRG Committee of NN Group as of 2 June 2023 are:

Mrs. P.F.M. (Pauline) van der Meer Mohr, Chair (as of 2 June 2023)
Mr. J.W. (Hans) Schoen
Mr. R.J.W. (Rob) Lelieveld
Mr. D.A. (David) Cole
Mrs. I.K. (Inga) Beale

As of the decision to continue with the combined NRG Committee, the NRG Committee met two times in 2023. The roles and responsibilities of the NRG Committee are outlined in the Charter of the NRG Committee which is available on NN Group's website.

2 Performance management principles Identified Staff

Performance management is a core business process to align individual performance objectives with the strategy of NN Group and to ensure sustainable long term value creation for all its stakeholders. NN Group operates a performance management process linked to remuneration to prevent rewarding for failure and to address the long term impact of the profitability of the organisation within the risk appetite framework approved by the Supervisory Board. The following performance management principles applied specifically to Identified Staff in 2023:

- the performance objectives must include both financial and strategic performance objectives according to the following balance: for control functions a maximum of 15% financial and a minimum of 85% strategic targets applies and for non-control functions a maximum of 50% financial and a minimum of 50% strategic targets applies;
- for members with a control function in the Management Board, a maximum of 25% of the objectives are financial objectives;
- the performance objectives of control functions cannot be linked to the financial performance of the business over which they exert their control function role and should be formulated to link exclusively to the performance of their oversight role;
- all performance objectives are reviewed by representatives of NN Group's control functions to ensure compliance with relevant regulations and legislation.

For each Identified Staff member a set of objectives is defined, including details on what the individual is expected to contribute to NN Group's business success and how this contribution is to be achieved. The individual's overall performance evaluation is used as one of several factors that determines individual variable remuneration. This evaluation takes into consideration the financial and strategic results that were achieved. The final amount of variable remuneration is also dependent on other factors such as: the overall financial affordability, the ex ante risk adjustment and the outcome of an assessment of leadership behaviour, which may cause adjustments of the level of variable remuneration.

The performance assessment of Identified Staff and the consequent awarding of variable remuneration is done as part of a multiple-year framework. As deferral periods apply to variable remuneration of Identified Staff, it is ensured that variable remuneration is 'at risk' during the entire deferral period. Variable remuneration is linked to risk and strategic performance and takes into account the company performance at NN Group level, business line, team and individual performance. Any undesired risk taking or breaches of compliance that were not apparent at the time the variable remuneration was awarded, will be taken into account at every (deferred) vesting of variable remuneration.

Examples of 2023 performance objectives for NN Bank

Performance targets	Management Board	Other Identified Staff
Financial: Operating Capital Generation, Return on Equity ratio, Cost-to-income ratio	Non-Control Function: max 50% Control Function: max 15%	Non-Control Function: max 50% Control Function: max 15%
Strategic: Net Promoter Score (NPS-r), Brand Consideration, Broker Satisfaction, Mortgage origination, Employee engagement	Non-Control Function: min 50% Control Function: min 85%	Non-Control Function: min 50% Control Function: min 85%
Leadership behaviour	Assessed as part of year-end review and counted towards individual performance evaluation; variable remuneration awards may be adjusted based on the assessment of the leadership behaviour.	

3 Remuneration principles and policy

Remuneration policy

As a direct subsidiary of NN Group, NN Bank is in scope of the NN Group Remuneration Framework Standard. NN Bank is well aware of the public debate about pay in the financial industry and the responsibility the industry has in this respect. The remuneration policies of NN Group take into account all applicable regulations and codes, including the Banking Code. The NN Group Remuneration Framework strikes a balance between interests of its customers, employees, shareholder and society at large, and supports the long-term objective of the company.

The general principles underpinning the NN Group Remuneration Framework are (amongst others) as follows:

- Support the attraction, motivation and retention of employees, while being compliant with applicable legislation and with the aim of applying best practices within the financial industry.
- Take into account NN Group's business strategy, objectives, its role in society, values and risk appetite, as well as sustainable long-term value creation for all stakeholders.
- Be mindful of the role of the financial sector in society.
- Support NN Group's overall ambition to be an industry leader, focusing on customer engagement, attraction and retention of talent, and making a contribution to society.
- Contribute to an inclusive working environment by ensuring equal opportunities, working conditions and equal pay for equal work.
- Promote robust and effective risk management, including risk management of sustainability risks (such as environment, society, governance and employee related matters) in the integration thereof in the risk management system and procedures. It supports balanced risk taking, sustainable long term value creation and the protection of a sound Capital Base. This will amongst others be supported by performance objective setting processes.
- Avoid improper treatment of customers and employees.
- Comply with legislation as applicable to NN Group from time to time, apply best practices in the industry, and act in the spirit of (inter)national regulations and guidance on Remuneration.

The variable remuneration is linked to clear targets. These targets are for a large part strategic. In addition, variable remuneration for Identified Staff is performance-based and risk-adjusted and is partly paid upfront and partly deferred. Deferred variable remuneration is subject to the assessment of undesired risk-taking, as well as non-compliant behaviour in view of past performance. If deemed necessary by NN Group on the basis of the applicable remuneration principles and policies, variable remuneration is adjusted downwards via hold back or claw back.

NN Group's remuneration principles for Identified Staff have been incorporated in the NN Group Remuneration Framework and in several other policies applicable to different groups of staff. The NN Group Remuneration Framework was reviewed and approved by the Supervisory Board of NN Group and is effective as from 1 January 2015, which has been amended and approved from time to time since then.

4 Identified Staff Remuneration in detail

NN Bank's selection of Identified Staff is based on the European Banking Authority's Regulatory Technical Standards (RTS) of 25 March 2021. The RTS comprises (i) qualitative and (ii) quantitative selection criteria. NN has carefully considered how to apply these criteria within its organisation and, based on this, has identified positions and individuals that qualify as Identified Staff. The selection of Identified Staff is an ongoing process, with periodic checks.

The application of the Identified Staff selection criteria at NN Bank is reviewed annually and, if necessary, amended, to make sure it continues to align with the NN organisation. Some of the NN Bank Identified Staff members fall under the scope of the collective labour agreement (CLA). The remuneration of these Identified Staff members is governed by the CLA.

Different elements of remuneration

The remuneration of Identified Staff has been structured in accordance with the applicable laws and regulations. Prudent risk management is reflected in the performance target setting, and as such taken into account when determining the variable remuneration of each Identified Staff member. The total reward of Identified Staff consists of the following elements:

- Fixed remuneration;
- Variable remuneration consisting of cash and NN Group shares. Both parts are each divided in an upfront and a deferred part and retention periods for shares apply of one year following the applicable vesting;
- General employee benefits, such as employer pension contributions, employee discounts on financial services, disability insurance coverage (applicable to all NN Group staff employed in The Netherlands).

Variable remuneration

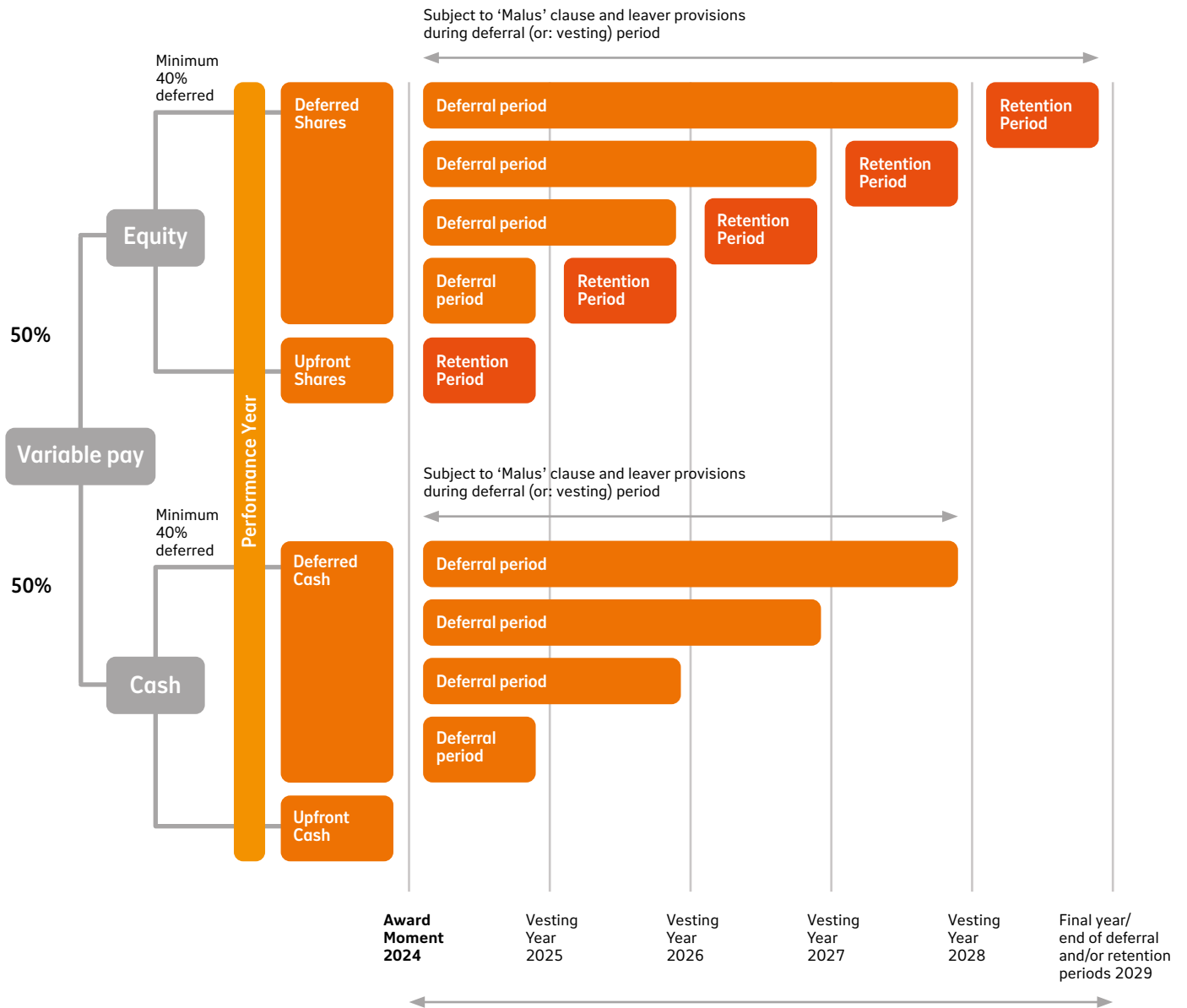
In line with the Dutch Financial Supervision Act (Regeling beheerst belongingsbeleid Wft), any variable remuneration for Identified Staff for the performance year 2023 is governed by our remuneration policies. The relevant procedures when determining variable remuneration are explained in the schedule below:

Ability to award variable remuneration	The ability to award variable remuneration depends on the (financial) performance of each relevant business unit, team and individual.
Fixed/variable pay ratios	Maximum ratios between fixed and variable remuneration apply. In principle, variable remuneration cannot exceed 20% of the fixed remuneration. The ratio differs for each Identified Staff category and depends on the individual risk profile.
Delivery of variable pay	A minimum of 40% is deferred. Both the upfront and the deferred part are equally split into cash and equity. The vesting of deferred variable remuneration for NN Bank employees occurs over four years on the 1st, 2nd, 3rd and 4th anniversary of the award date, with an equal portion of variable remuneration (cash or equity-linked instruments) vesting each year. Following the vesting, for Identified Staff, a holding- or retention period of 1 year applies to awards of upfront- and deferred shares. Vesting is conditional on continued employment, provided limited exceptions.

1. Following the Identified Staff selection process, also roles and employees are selected for which the compensation package already is risk-averse. After careful consideration and after reviewing relevant regulations, it has been duly established that this is the case for employees who fall under the scope of the collective labour agreement (CLA) in the Netherlands with a limited portion of variable remuneration: not exceeding 10% of total compensation and not exceeding EUR 50.000. The 20% variable remuneration cap of the Wbfo is adhered to. Given the above, these roles are considered to be out of scope regarding the partial delivery in equity and the deferral scheme of variable remuneration applicable to Identified Staff.

Ex post performance assessment	<p>The performance assessment extends beyond the date of variable remuneration award and continues as part of a multi-year framework of at least three to five years. NN Group has the option of applying a hold back, i.e., not to pay out variable remuneration, in the following circumstances:</p> <ul style="list-style-type: none"> – the variable remuneration does not reconcile with the financial situation or performance of NN Group or is not justified on the basis of the performance of NN Bank or the relevant employee; or – NN Group does not comply with the relevant capital requirements applicable from time to time; or – NN Group’s capital adequacy is insufficient as determined via the capital test; or – the relevant employee participated in or was responsible for conduct which resulted in significant losses to NN Group or any of its subsidiaries or affiliates; or – the relevant employee failed to meet the appropriate standards of fitness and propriety (‘geschiktheid en betrouwbaarheid’), such as an oath for the financial sector, a code of conduct or other internal rules and regulations; or – NN Group or NN Bank in which the relevant employee works suffers a significant failure of risk management; or – if this is required or reasonable taking into account the outcome of the reassessment procedures set out in the NN Group Remuneration Framework; or – in the event of significant negative changes in the economic and regulatory capital base; or – in the event of specific conduct which has led to the material re-statement of NN Group’s annual accounts and/or significant (reputational) harm to NN Group, NN Bank or any of its subsidiaries or affiliates; or – if any other material new information arises that would have changed the original determination of the award of variable remuneration to that individual if it were known at the time of the award; such reassessment is also based on the criteria for the original award. <p>A claw back of paid/vested variable remuneration from any current (or former) Identified Staff can be applied in the following circumstances:</p> <ul style="list-style-type: none"> – this is required or reasonable taking into account the outcome of the (reassessment) procedures set out in the NN Group Remuneration Framework; or – in the event of engagement in conduct or performance of acts which are considered malfeasance or fraud; or – in the event of specific conduct which has led to the material restatement of NN Group’s annual accounts and/or significant (reputational) harm to NN Group or any of its subsidiaries or affiliates; or – the relevant employee participated in or was responsible for conduct which resulted in significant losses to NN Group or any of its subsidiaries or affiliates; or – the relevant employee failed to meet appropriate standards of fitness and propriety, such as an oath for the financial sector, a code of conduct or other internal rules and regulations that are applicable to NN Group.
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Overview of delivery of variable remuneration of Identified Staff



Note: a one year retention period is applicable to all equity-linked instruments that are part of the variable remuneration for Identified Staff and all variable remuneration is subject to hold back, claw back and leaver provisions.

5 Quantitative information

The tables below provide detailed aggregated information on the remuneration of Identified Staff and the Management Board of NN Bank in 2023 and based on the Identified Staff employed within NN Bank at 31 December 2023. It also provides information on the number of high earners within NN Bank.

Aggregated fixed and variable remuneration of Identified Staff of NN Bank in 2023

Amounts in EUR 1,000 and gross	Management Board	Other Identified Staff
Number of employees	4	22
Fixed remuneration ¹	1,320	4,147
Variable remuneration ²		
of which upfront cash	37	6
of which upfront shares	37	6
of which deferred cash	37	4
of which deferred shares	37	4
Buy-out payments and retention awards made in 2023:		
- Number of beneficiaries	0	0
- Buy-out payments	0	0
Severance payments paid in 2023:		
- Number of beneficiaries	0	0
- Severance payments	0	0
Guaranteed bonuses paid in 2023:		
- Number of beneficiaries	0	0
- Guaranteed bonuses	0	0

1. The fixed remuneration includes base salary, pension costs and individual (saving) allowance (if applicable). For CLA covered employees, the fixed remuneration also includes several allowances, such as holiday allowances and the 13th month salary, as agreed in the CLA.
2. The variable remuneration of Identified Staff in the table above is based on the variable remuneration proposals approved by the Supervisory Board of NN Group on 28 February 2024.

Overview of deferred remuneration in 2023

This table includes deferred remuneration awarded or paid to current and former members of the Management Board and Identified Staff members.

The Identified Staff awards shown in the table below reflect awards which were granted to the individuals concerned in their capacity of Identified Staff. The Management Board awards reflect awards which were granted to the individuals concerned in their capacity of member of the Management Board.

The vested shares are valued based on the relevant NN Group share price on the vesting date. Unvested shares are valued against the NN Group share price on 31 December 2023 (EUR 35.75).

Analysis of deferred remuneration Identified Staff awarded or paid out in 2023

Amounts in EUR 1,000 and gross	Management Board	Other Identified Staff
Deferred shares outstanding, vested ¹	85	1
Deferred shares outstanding, unvested ²	76	2
Deferred shares awarded during financial year ³	36	-
Deferred cash awarded during financial year ³	36	-
Deferred cash, paid out ⁴	87	1
Deferred cash outstanding, unvested ⁵	88	2
Reduced amount through performance adjustment (hold back and claw back)	-	-

1. Outstanding vested: deferred shares (equity) awards outstanding on 1 January 2023, which vested in 2023.
2. Outstanding, unvested: deferred shares (equity) awards outstanding on 1 January 2023, which have not vested in 2023.
3. Awarded during financial year: awards made in 2023, over financial year 2022, in the form of deferred shares (equity) awards and deferred cash awards.
4. Outstanding vested: deferred cash awards outstanding on 1 January 2023, which vested in 2023.
5. Outstanding, unvested: deferred cash awards outstanding on 1 January 2023, which have not vested in 2023.

Total remuneration per bracket of high earners (above EUR 1 million)

The total remuneration of each individual Identified Staff employee of NN Bank does not exceed the threshold of EUR 1 million.