



Nationale-Nederlanden Bank

Investor Presentation - Soft Bullet Covered Bond Programme

June 2020



IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the investor presentation following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the investor presentation. In accessing the investor presentation, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

The following investor presentation is an advertisement and does not comprise a prospectus for the purposes of the Prospectus Regulation. Nationale-Nederlanden Bank's Base Prospectus dated 18 June 2020 and Final Terms in relation to an offer of securities, when published, will be available on Nationale-Nederlanden Bank's website (<https://www.nn-group.com/investors/debt-securities-credit-ratings/nn-bank-secured-funding.htm>)

Not for distribution to any U.S. person or to any person or address in the U.S. and not for distribution to any person which is a retail investor in the European Economic Area or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (the "IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, including any commission delegated regulation thereunder ("the Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "PRIIPs Regulation") for offering or selling any securities discussed herein or otherwise making them available to Retail Investors in the European Economic Area or in the United Kingdom will be prepared and therefore offering or selling such securities or otherwise making them available to any Retail Investor in the European Economic Area or in the United Kingdom may be unlawful under the PRIIPs Regulation.

The following investor presentation may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. person or to any U.S. address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Nothing in this document constitutes an offer to sell or the solicitation of an offer to buy securities of the issuer in the United States or any other jurisdiction where it is unlawful to do so. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any State of the U.S. or other jurisdiction of the U.S. and the securities may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.



Executive summary

NN Bank¹ at a glance

- Fifth Dutch retail banking franchise (based on balance sheet size)
- Significant player in Dutch residential mortgage loan and retail savings markets
- Established in 2011
- Built around long-standing Nationale-Nederlanden mortgage business (since 1963)
- Distribution both direct (savings products) and via intermediaries (mortgage loans)

NN Bank strategy

- To support retail customers to secure their financial futures by helping them manage and protect their assets and income
- Operates in the Netherlands under the brand name 'Nationale-Nederlanden' and shares client base, distribution and marketing with other NN entities
- Providing customers with efficient and excellent services:
 - digital customer experience
 - continuous product innovations
 - modern savings and mortgage back-office systems

NN Bank financials at 31 Dec 2019

- Total assets of EUR 24.7bn; residential mortgage loan book of EUR 19.6bn²
- NN Bank services over EUR 50bn of mortgage loans
- Balanced composition of income, in which net fee and commission income are 27% of total income
- Net profit of EUR 116.2m for 2019
- Solid capital position: CET1 ratio of 15.7% (Standardised Approach), Total Capital Ratio of 17.2%
- NN Bank's strong A- rating from S&P (stable outlook) reflects the "highly strategic importance" for NN Group

Funding diversification

- Funding for two-thirds retail savings (EUR 15.1bn)
- NN Bank aims to further diversify its funding base by attracting both secured and unsecured wholesale funding
- In 2017 NN Bank set up its Conditional Pass Through (CPT) Programme, from which 5 public benchmark CBs³ have been successfully issued
- NN Bank has now decided to establish a new Soft Bullet covered bond programme in 2020
- NN Bank now debuts with an inaugural Soft Bullet CB under this new CB Programme



1. Full name is Nationale-Nederlanden Bank N.V.
2. Includes mortgage-related Transfer of Parts and construction deposits
3. A benchmark covered bond issuance is at least EUR 500m

All financial information included in this Investor Presentation is based on the 2019 annual accounts of Nationale-Nederlanden Bank N.V. as published on 24 March 2020 (unless stated otherwise). This financial information may deviate from the financial information of the segment Banking in NN Group.

Contents

1	Strategy and business highlights	5
2	Mortgage business	14
3	Covered bond programme	19
4	Balance sheet and capital position	27

Appendices

A	Preliminary cover pool: key characteristics	33
B	Mortgage origination and underwriting	35
C	Dutch economy and housing market	38
D	Corporate history	43
E	Profit and loss	45
F	Glossary	46
G	Contact information	47

1 Strategy and business highlights

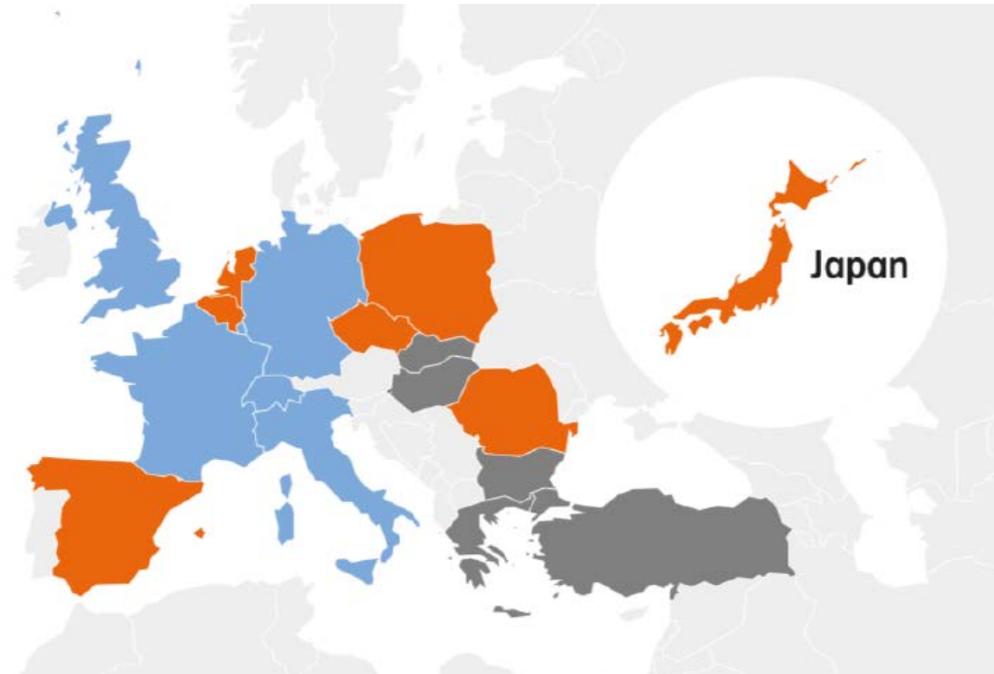
NN Bank profile

- Fifth Dutch retail banking franchise (based on balance sheet size)
- Significant player in Dutch residential mortgage loan and retail savings markets
- Established in 2011
- Built around long-standing Nationale-Nederlanden mortgage business (since 1963)
- Distribution both direct (savings products) and via intermediaries (mortgages)
- Income generation from net interest margin, origination fees and service management fees
- 100% subsidiary of NN Group N.V.
- Long-term credit rating of A- and short-term rating of A-1 from S&P; stable outlook



Parent company: NN Group

International footprint



■ Insurance and Asset Management ■ Asset Management¹ ■ Insurance

Overview of NN Group

- International financial services company, active in 18 countries with a strong presence in a number of European countries and Japan
- Offering innovative solutions and value-added products and services to retail, SME, large corporate and institutional customers (approx. 18 million customers)
- Financial Strength Ratings: A+/stable (Fitch), A/stable (S&P)
- Listed on Euronext Amsterdam since 2 July 2014
- Acquisition of Delta Lloyd completed in April 2017
- Acquisition of VIVAT Non-life completed in April 2020
- Shareholders' equity of EUR 30.8bn at 31 December 2019

NN Group has leading market positions

- #1 life insurer in the Netherlands: 40% market share² in group pensions and 23% market share² in individual life
- #2 Non-life insurer in the Netherlands: 28% market share² in Disability & Accident; 21% market share² in Property & Casualty
- Top 3 player in CEE³ focused on life and voluntary pensions
- Top 3 player⁴ in corporate-owned life insurance (COLI) products in Japan
- International asset manager with AuM of EUR 276bn at 4Q19

Source: NN Group

1. Outside Europe and Japan, NN Investment Partners has offices in New York and Singapore
2. By GWP (2018), only Dutch insurers that are subject to DNB supervision; source: DNB and CVS
3. Central and Eastern Europe
4. By APE (fiscal year 2018), source: internal estimate NN Group



Position of the bank within NN Group

NN Bank adding value to NN Group in the Netherlands

- Operating under the Nationale-Nederlanden brand since its start in 2011
- Sharing client base, distribution and marketing with other NN entities
- Offering banking products complementary to Nationale-Nederlanden's individual life and non-life insurance products for retail customers
- NN Group's mortgage originator and servicer in the Netherlands, providing mortgage investment opportunities for other NN companies and customers of NN Investment Partners
- Fully-owned subsidiary of NN Group N.V. and a fellow subsidiary of the Dutch insurance entities, i.e. NN Life and NN Non-life
- NN Bank's has a A- rating from S&P (stable outlook) reflecting the "highly strategic importance" of the bank for NN Group

Retail-focused business model

NN Bank is a significant financial services provider in the Dutch retail market

- Core activities are providing retail customers with mortgage loans, savings and bank annuities, supplemented by retail investment and consumer loan products
- National player, with coverage of all Dutch regions
- Operating under a strong and well-known household name in the Netherlands, *Nationale-Nederlanden*



In-house mortgage origination and (special) servicing capabilities

- Nationale-Nederlanden's track record in in-house mortgage loan origination, servicing and arrears management goes back to 1963
- Originated EUR 7.9bn of mortgage loans in 2019 and services over EUR 50bn of mortgage loans for various entities
- Mortgage loans distributed via intermediaries



NN Bank is a significant player in savings deposits and bank annuities

- On demand savings and fixed-term deposits
- Bank annuities, fiscal-driven supplementary pension savings or pension benefits



Marketing campaigns

New construction mortgage loan



De Nieuwbouwhypotheek die past bij het leven van nu

- Lagere hypotheekrente voor nieuwbouwwoning
- Geen rente verschuldigd over bouwdepot
- Ook als u zelf een huis gaat bouwen

[Maak een afspraak >](#)

On demand savings and fixed-term deposits



Internetsparen 0,20%^{*} rente

- Hoge variabele rente
- Uw geld vrij opneembaar
- Geen verplichte minimum inleg of storting
- Uw rekening is gratis

[Open een rekening >](#)

* Effectieve rente op jaarbasis met ingang van 21 september 2019, wijzigingen voorbehouden.

Various financial solutions that are tailored to fit today's life

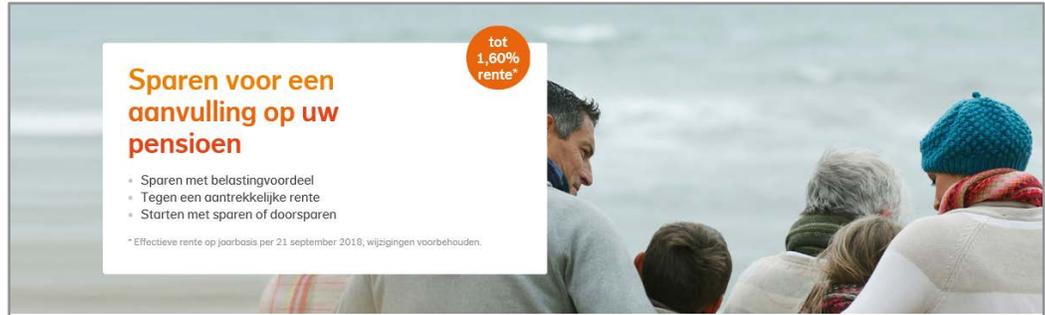


Een hypotheek die past bij senioren die willen verhuizen

Zijn de kinderen het huis uit en is het tijd om wat kleiner te gaan wonen, of wat goedkoper? Het kan lastig zijn om met een (naderend) pensioeninkomen een hypotheek te krijgen. Ontdek de mogelijkheden van de Senioren Verhuisregeling.

[Maak een afspraak >](#)

Senior citizens mortgage loan



Sparen voor een aanvulling op uw pensioen tot 1,60%^{*} rente

- Sparen met belastingvoordeel
- Tegen een aantrekkelijke rente
- Starten met sparen of doorsparen

* Effectieve rente op jaarbasis per 21 september 2018, wijzigingen voorbehouden.

Pension savings (bank annuities)

Source: NN Bank (www.nn.nl)

Retail savings: two strong pillars

Dutch banks held EUR 368bn in household savings in 2019, this is EUR 13bn (+3.5%) up on the previous year, despite the fact that the interest rates for savings have been low for many years and consumer savings are under pressure of taxes and rising inflation (CPI). Most of the growth is attributable to higher net deposits and only a small part contributes to credited interest¹

Savings on demand

- Consumers save mainly in order to build a buffer against unforeseen expenses
- Low-cost online savings platform
- At year-end 2019, a total outstanding of EUR 6.7bn in demand savings accounts (*‘Internetsparen’*) and fixed-term deposit accounts to retail customers
- Diversification of funding with a similar savings account in Spain (in co-operation with NN Spain)

Pension savings (bank annuities)

- Growing market for bank annuities as a result of growing periodical payments and aging population. Consumer awareness about pension gaps is increasing, partly due to the current pension debate
- Two types of bank annuities offered by NN Bank:
 - supplementary pension savings: tax-incentivised annuities on a blocked savings account up to pension date; and
 - supplementary pension benefits: pay-out of built-up pension savings (annuity) over time
- NN Bank is market leader in the bank annuities market as a result of its competitive price and smooth application process
- At year-end 2019, a total outstanding of EUR 6.8bn in (non-mortgage related) bank annuities

Source: DNB

1. “Savings held at banks sharply up despite low interest rates” (5 February 2020)

Operating in a dynamic environment

Developments that impact our operational environment and enable NN Bank to meet its stakeholders' expectations



Data and privacy

- Data driven initiatives will contribute to improve customer services and generate greater efficiency for NN Bank
- New products and services can be created and the quality of existing products substantially be improved by making intelligent use of and sharing data, with the explicit consent of our customers
- Continuous application of General Data Protection Regulation (GDPR/AVG) to safeguard privacy principles



Customer experience

- Offer propositions targeted at core needs such as specific life events and at improving financial well-being of people
- Constantly improving the customer experience in order to build and retain long-term customer relationships



Sustainability

- Encourage customers to reduce their carbon footprint by making their homes more sustainable and offer relevant financing options
- Create a sustainable platform that offers a reliable starting point for customers and contributes to the UN Sustainability Developments Goals
- NN Bank finances energy efficient housing

COVID-19

NN Bank's priorities are to safeguard the well-being of our employees, serve our customers and ensure business continuity

Expected impact on NN Bank

- COVID-19 has a substantial impact on financial markets, global trade, manufacturing and travel and is also having a negative impact on the markets in which NN Bank is active. This particularly pertains to the Dutch mortgage market and the wholesale funding market
- On 31 May 2020, NN Bank has offered a payment holiday to 0.7% of our mortgage loan clients. It is reasonable to expect that this percentage will increase over the course of 2020
- COVID-19 is likely to have an impact on the Issuer and its profitability. However, at the date of this Investor Presentation it is too early to give a precise reliable indication of the impact on aggregate net profit for the full year 2020. Current estimate is a modest to significant negative impact on aggregate net profit. Actual impact will be dependent on speed and shape of the recovery of the Dutch economy

Payment holidays

- Payment holidays are being offered to borrowers who face temporary payment difficulties on their mortgage loans, subject to certain conditions being met and on borrower-by-borrower basis
- NN Bank allows borrowers to defer making payments for a limited period. Mortgage loans where (only) a payment holiday is granted may not be treated as defaulted in the administration of the Issuer (nor as Defaulted Mortgage Loans under the covered bond programme)

Other measures taken

- NN Bank is following the recommendations of the Dutch government and currently nearly all work is done from home rather than our office locations
- Sufficient (backup) liquidity and funding alternatives are in place, hence for the foreseeable future no significant difficulties are expected in refinancing funding positions and liquidity positions which are expected to remain above internal limits
- No final dividend over 2019 was paid¹

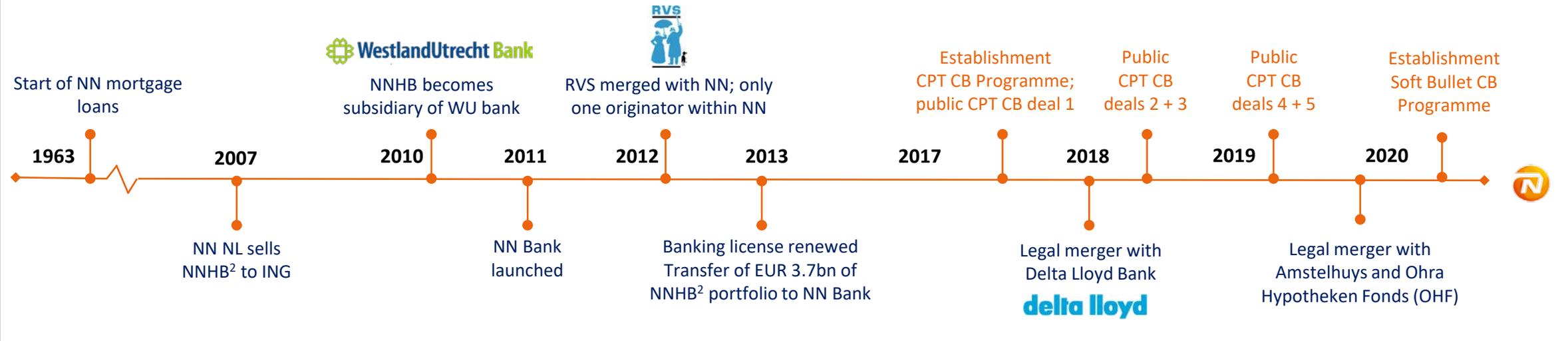
1. NN Bank follows the guidance received from DNB in view of the current COVID-19 that will ease the Dutch banking sector's capital requirements to support lending, combined with a restraint on dividend pay-out and share buyback. NN Bank intends to resume dividend payments as of the moment circumstances permit

2. Mortgage business

Long-standing history in mortgage business

Successful NN-labelled mortgage business can be traced back to 1963

- Nationale-Nederlanden was founded in 1845, and evolved as a well-known brand in the Netherlands
- In 1963, Nationale-Nederlanden started originating mortgage loans ('NN-labelled mortgage loans')¹
- NN Bank was launched in 2011 to take advantage of new banking opportunities in response to declining individual life insurance market
- Growth accelerated in 2013 with the acquisition of parts of WU Bank (within ING Bank), gaining product expertise and a solid banking platform
- On 1 January 2018, Delta Lloyd Bank was merged into NN Bank
- NN-labelled mortgage loans are serviced by NN Bank and are eligible for inclusion in the cover pool³

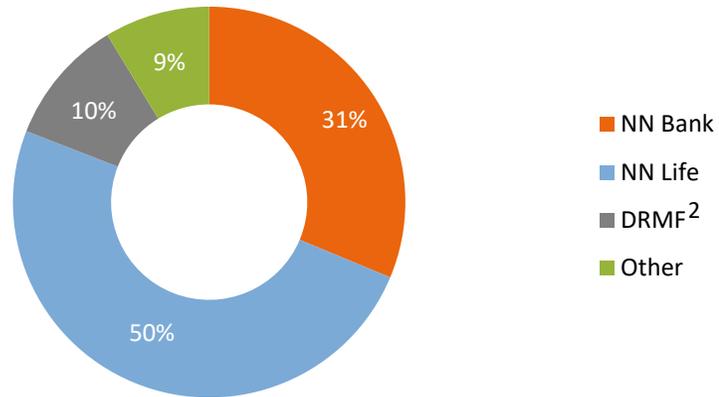


1. NN-labelled mortgage loans prior to 1 July 2013 were originated by NN Life and RVS Life; since 1 July 2013 NN-labelled mortgage loans have been originated by NN Bank
2. NNHB (NN Hypotheek Bedrijf) is a mortgage book held by ING Bank
3. Quion (HQ50) and Delta Lloyd originated mortgage loans are not eligible for inclusion in the cover pool

Mortgage loans: distribution and servicing

Newly-originated mortgage loans¹ distributed to several entities ...

Economic ownership of new mortgage production in 2019 (EUR 7.9bn)

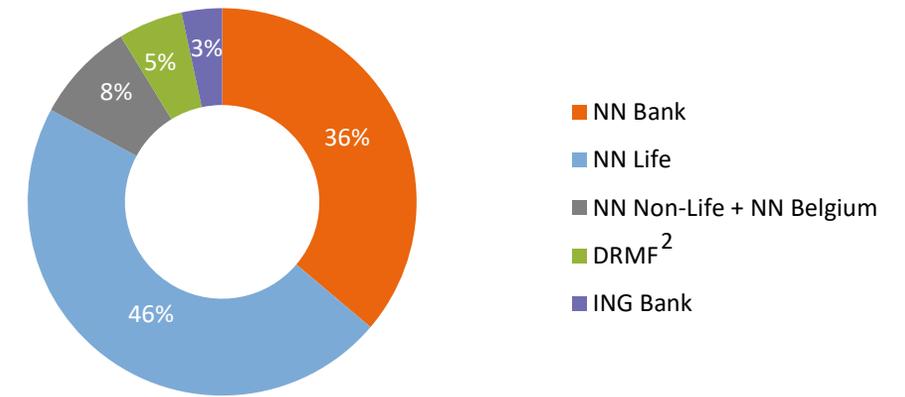


... offering attractive investment opportunities within NN Group

- NN Bank supports other business units within NN Group by generating profitable assets which are transferred to group companies
- Mortgage loans seen as an attractively yielding investment opportunity by these companies (buy and hold)

Mortgage loans serviced for multiple entities ...

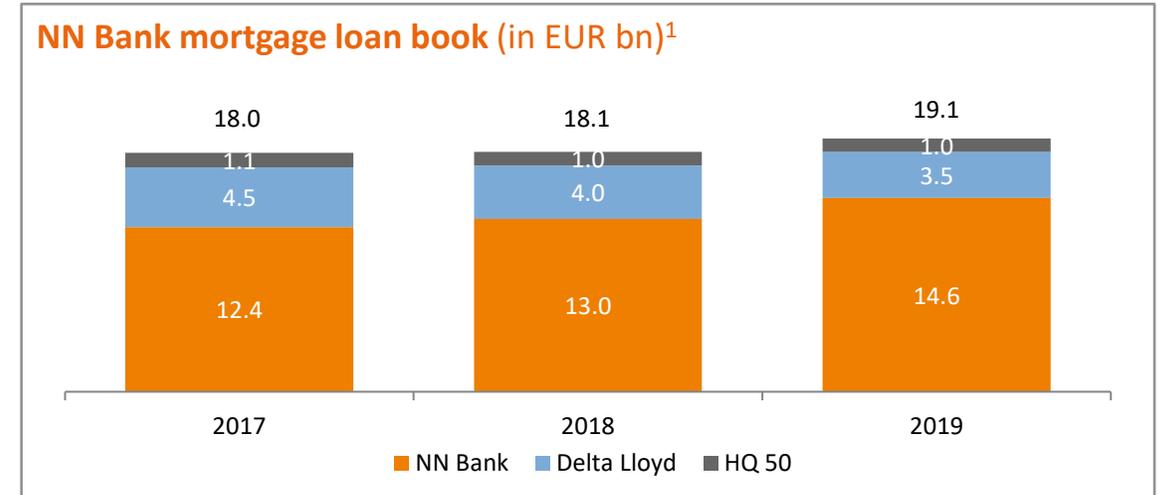
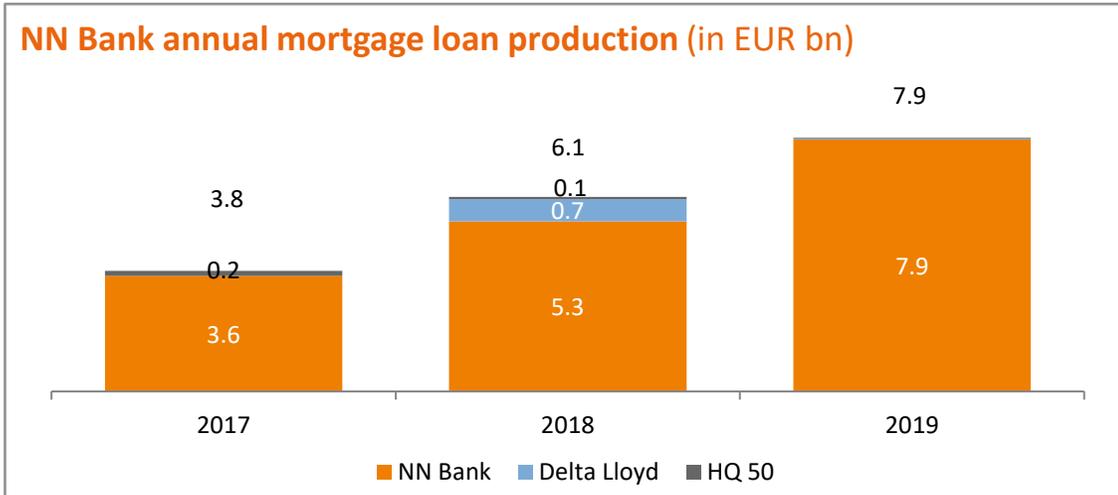
Mortgage portfolio at 31 December 2019 (EUR 50.2bn)



... both within NN Group and for third parties

- NN Bank services EUR 32.2bn of mortgage loans for other NN Group companies, NN Dutch Residential Mortgage Fund and ING Bank
- Monthly transfer of mortgage loans from ING Bank to NN Bank³

Mortgage loans: growth and trends



Mortgage production mainly driven by long tenors, competitive pricing and an uplift in the Dutch housing and mortgage market

- Total mortgages originated by NN Bank amounted to EUR 7.9bn in 2019 (compared with EUR 6.1bn in 2018)
- 69% of new mortgage production transferred to insurance entities within NN Group companies and to NNIP's Dutch Residential Mortgage Fund
- NN Bank offers the full range of mortgage loan interest rate reset tenors to its customers, i.e. from 1 month to 30 years
- Risk-based pricing policy fully implemented in 2019 for NN-labelled mortgage loans

1. All results presented are as at the end of the year; 2017 numbers on a pro forma basis for NN Bank

Strong mortgage loan performance

Trend to lower LTV and higher (p)repayments ...

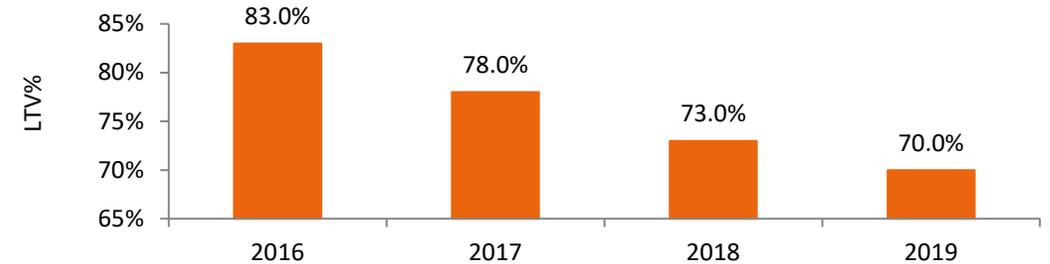
- LTV cap lowered by 1%-point p.a. from 105% in 2013 to 100% in 2018
- Lower average LTV due to higher amortisation and increased house prices
- Higher amortisation triggered by changes to tax deductibility, i.e. for new mortgage loans only annuity (or linear) loans are eligible
- Higher prepayments triggered by the accelerated reduction in tax deductibility in 2020-2023

... in combination with several mitigating factors ...

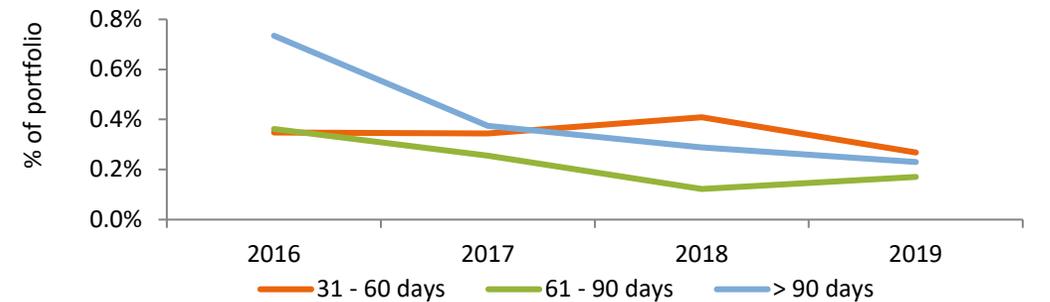
- Strict underwriting under Code of Conduct and Dutch law
- Mortgage loan is typically the only debt of average Dutch household¹
- High payment moral of Dutch borrower
- Strong legal and regulatory framework of full recourse, whereby lender has a secured claim to current and future wealth of the borrower
- Affordability (debt to income) is decisive in underwriting, not LTV level

... to further support historically good performance numbers

weighted average current loan-to-indexed market value has gradually decreased over time



Delinquencies have remained low



1. Total outstanding consumer credit volume (EUR 15.0bn) is 2.1% of total outstanding residential mortgage loan volume (EUR 723bn) in the Netherlands (CBS, DNB, 4Q19)

3. Covered bond programme

NN Bank launches a new Soft Bullet Programme

Established Covered Bond issuer

- In 2017 NN Bank established its CPT¹ Programme in order to replace RMBS as the primary source of funding and to further diversify its funding
- To date, NN Bank has completed seven CB transactions, raising a total current outstanding funding amount of EUR 2.6bn
- NN Bank has successfully run the CPT Programme:
 - Robust reporting infrastructure ensures timely and smooth investor reporting;
 - All regulatory requirements met; and
 - Annual audits have always had sufficient opinions

Commencing a Soft Bullet Programme

- EUR 7.5bn Soft Bullet Programme established in 2020, under which new CB issuances are expected to take place
- Soft Bullet Programme officially registered with the Dutch Central Bank on 17 June 2020
- New Soft Bullet Programme will support future growth and:
 - ✓ Further diversify the debt investor base;
 - ✓ Enhance flexibility with respect to bond tenors

1. Conditional Pass-Through

NN Bank Soft Bullet covered bond features

Robust structure

Issuer	Nationale-Nederlanden Bank
Programme size	EUR 7.5 bn
Type of issuance	<ul style="list-style-type: none"> Soft bullet structure Dual recourse to the issuer and CBC¹ Extension period: 12 months
External ratings	<ul style="list-style-type: none"> Covered bonds have target ['AAA'] rating by S&P NN Bank long-term credit rating 'A-' by S&P (stable outlook)
Over Collateralisation	<ul style="list-style-type: none"> Regulatory minimum OC of 5% Asset Percentage 88.5%
Interest rate/ Hedging	<ul style="list-style-type: none"> No hedging instrument included at closing (optional) Minimum Interest Rate of 1.0%
Cover assets	<ul style="list-style-type: none"> High quality Dutch residential mortgage loans All cover assets are NN-labelled and originated by NN Bank and NN Life³ 25.9% of the cover pool benefits from an NHG guarantee⁴ Cover pool's weighted average CLTOMV is 79.99%⁴

Regulatory treatment for investors

- Dutch law and Dutch Central Bank registered
- UCITS and CRR article 129 compliant
- LCR eligible (level 1)
- Solvency II friendly
- ECB repo eligible

Transparency

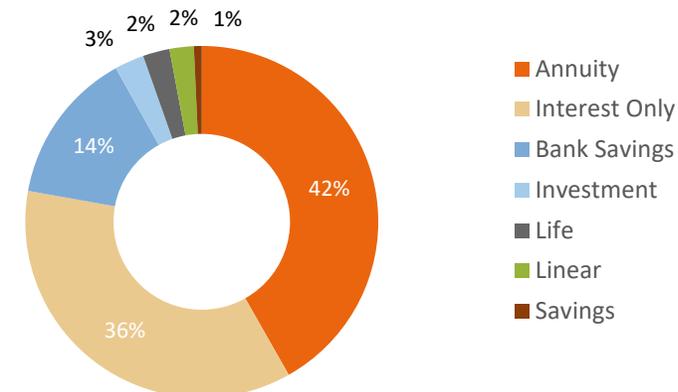
- National Transparency Template (NTT) and Harmonised Transparency Template (HTT) available on corporate website and dedicated portals
- Member of the Dutch Association of Covered Bond Issuers (DACB)²
- Covered Bond Label and HTT Reporting from ECBC



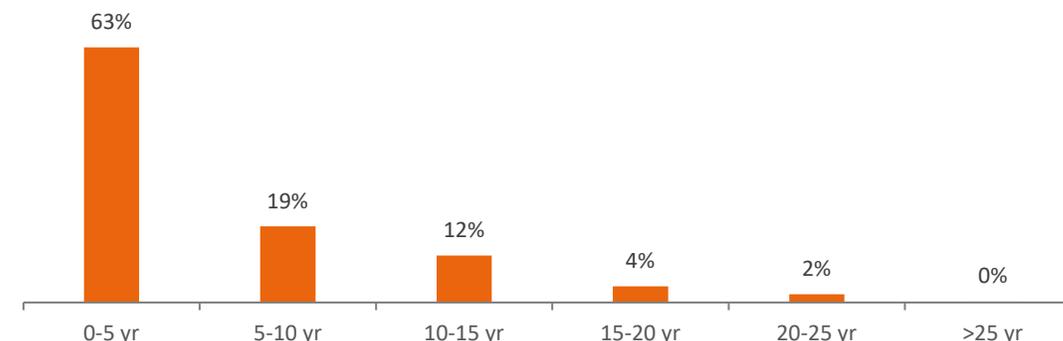
NN Bank Soft Bullet preliminary cover pool ¹

Cut-off date	31-05-2020
Principal balance (EUR)	1,737,463,746
Value of saving deposits (EUR)	86,454,193
Net principal balance (EUR)	1,651,009,554
Number of loans	7,062
Number of loan parts	16,115
Average principal balance (borrower) (EUR)	233,788
Weighted average current interest rate	2.66%
Weighted average remaining fixed rate period (yrs)	12.3
Weighted average seasoning (yrs)	5.3
Weighted average CLTOMV	79.99%
Weighted average CLTIMV	68.23%
NHG(%)	25.9%

Redemption type²

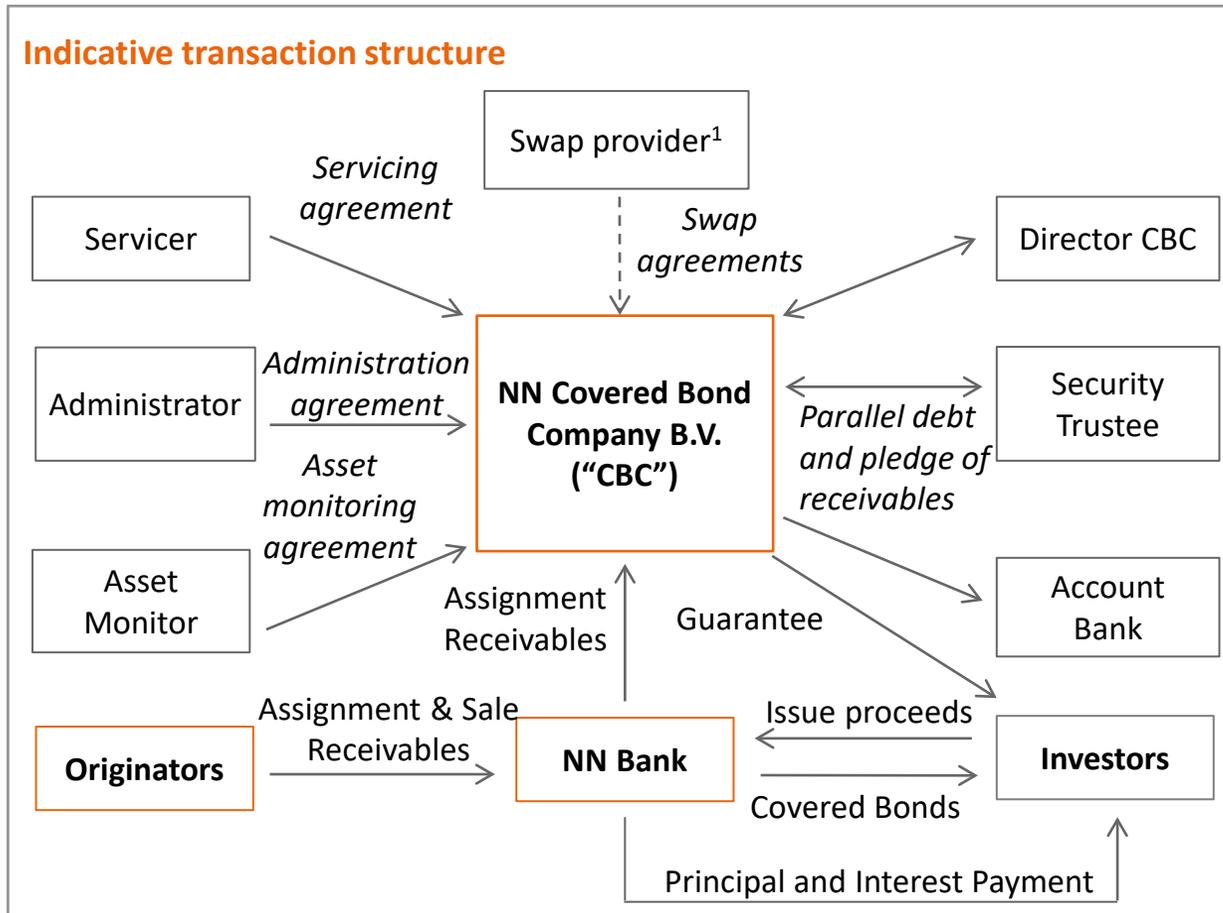


Seasoning



1. Quion (HQ50) and Delta Lloyd labelled mortgage loans are not eligible to be included in the cover pool
2. Small differences are possible due to rounding

Soft Bullet programme structure



Key transaction parties

Originators	NN Bank and NN Life ²
Transferor, Issuer	NN Bank
Servicer	NN Bank
Administrator	NN Bank
Guarantor	NN Covered Bond Company B.V.
Director CBC	Intertrust
Security Trustee	Stichting Security Trustee NN Covered Bond Company
Stichting Holding	Stichting Holding NN Covered Bond Company
Arranger	Rabobank
Asset Monitor	KPMG
CBC Account Bank	BNG Bank N.V.
Rating Agency	Standard & Poor's

1. Portfolio swap and Interest rate swap are optional
2. Mortgage loans that have been originated by NN Life and are held on NN Bank's balance sheet

Soft Bullet mechanism

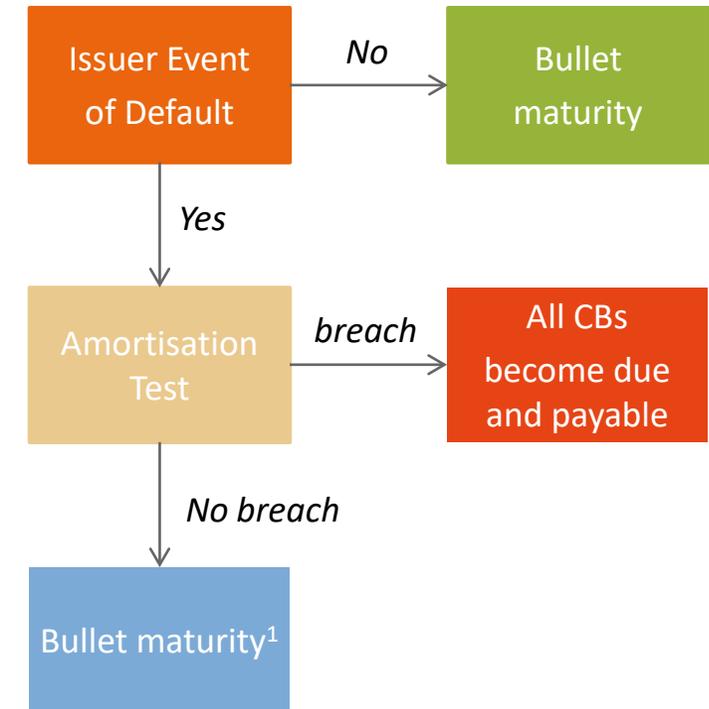
Going concern

- Under going-concern conditions, the covered bonds (CBs) are bullet securities due on the Final Maturity Date and the Issuer will ensure the coupon and principal payments to the investors
- The Asset Cover Test (ACT) guarantees that the cover pool meets the minimum OC requirements

After an Issuer Event of Default

- The ACT will be replaced by the Amortisation Test
- If on the Final Maturity Date of the CB an Issuer Event of Default takes place and the CBC has insufficient funds to redeem the CBs, this does not trigger a CBC Event of Default
- At such time the Final Maturity Date is extended for a period of maximum 12 months
- During this extension period the administrator undertakes to sell (a part of) the cover pool and uses the proceeds thereof to (partially) repay the specific CB series on every Interest Payment Date within this period
- If the structure has insufficient funds to repay a specific series on the Extended Due for Payment Date, this will trigger a CBC default and result in all CBs becoming due and payable
- A breach of the Amortisation Test would also constitute a CBC Event of Default and results in all CBs becoming due and payable

Event diagram of a single series



1. Assuming the structure has sufficient funds available to redeem the CB on the Final Maturity Date. In the event of insufficient funds, the maturity date will be extended with a maximum of up to 12 months

Cover Pool Eligibility Criteria

Eligibility Criteria

- Each mortgage is either a Bank Savings Mortgage Loan, Life Mortgage Loan, Investment Mortgage Loan, Linear Mortgage Loan, Annuity Mortgage Loan, Interest-only Mortgage Loan, Savings Mortgage Loan, Switch Mortgage Loan or a combination thereof
- All mortgage loans have been originated in line with mortgage **code of conduct**¹
- First and subsequent ranking mortgages
- All properties backing the mortgaged loans are located in the **Netherlands**
- All payments via **direct debit**
- Borrower is a private individual, resident of the Netherlands and is **not an employee of NN Group**
- Each mortgage loan is governed by **Dutch law** and is **denominated in euros**
- Each mortgaged asset is **occupied** by the Borrower at the moment of (or shortly after) origination
- Mortgage conditions provide that all payments by the Borrower should be made **without any deduction or set-off** (other than in respect of construction deposits)

1. The maximum outstanding principal amount per borrower, originated before August 2011, did not exceed 130% of the foreclosure value at origination, while the maximum outstanding principal amount per borrower, originated in and after August 2011, did not exceed 104% of the original market value at origination

Asset Cover Test

Asset Monitoring Agreement

1. Adjusted Aggregate Asset Amount \geq outstanding Covered Bonds
2. First regulatory current balance amount \geq 105% of outstanding Covered Bonds
3. Second regulatory current balance amount \geq 100% outstanding Covered Bonds

Adjusted Aggregate Asset Amount =



Calculation specification:

'A' includes:

- 88.5% Asset Percentage
- 80% Indexed LTV cut-off
- Deduction for the built-up of savings for Savings, Switch, Savings Alternative and Bank Savings mortgage loans
- (Partial) deduction of arrears and defaulted receivables and receivables in breach of the receivable warranties
- Deduction of construction deposits and other claims
- Deduction of borrower deposits > EUR100,000¹
- Deduction for relevant loan parts for which the interest rate < 1.0%
- Deduction of Long Term Mortgage Loan² notional when the Long Term Mortgage Loan % of the cover pool > 15.0%

'B' represents any unapplied principal receipts

'C' and 'D' represent cash (including the Reserve Account) and substitution assets

'Z' represents the amount equal to the Interest Cover Required Amount

1. Applicable if the Issuer Credit Rating at S&P falls below 'BBB' (long-term) or 'A-2' (short-term)
2. An Interest Only mortgage loan without maturity date, originated prior to September 2012

4. Balance sheet and capital position

Balance sheet composition

Assets

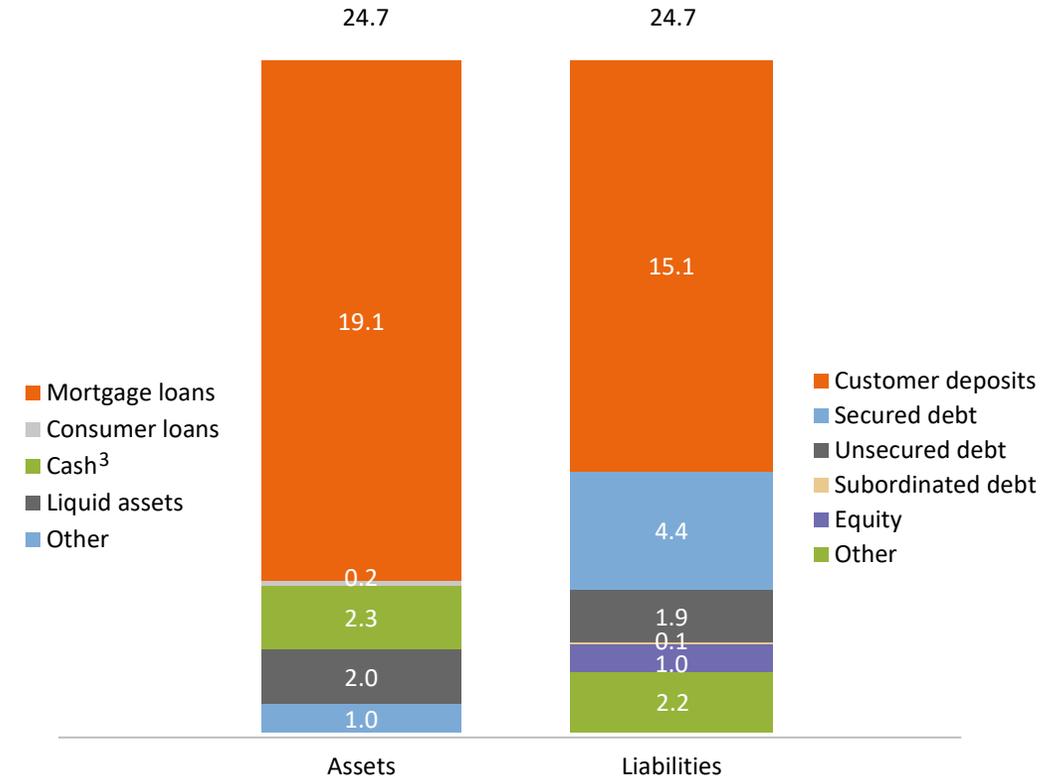
- Mainly mortgage loans, small consumer loan portfolio and liquid assets (HQLA)
- At year-end 2019, gross mortgage portfolio consists of EUR 14.6bn NN-labelled mortgages, EUR 3.5bn Delta Lloyd mortgages and EUR 1.0bn Quion (HQ 50) mortgages¹
- 34% of outstanding mortgage amounts are guaranteed through NHG

Liabilities

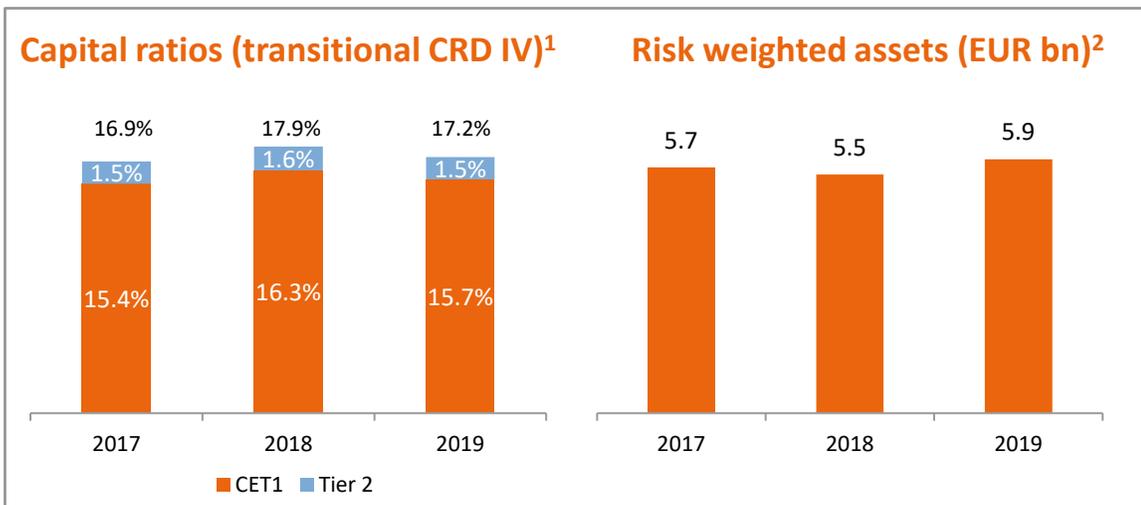
- Well-diversified funding mix, with customer savings portfolio two-thirds of the balance sheet
- Total secured funding portfolio of EUR 4.4bn: consisting of EUR 1.7bn securitisations and EUR 2.6bn covered bonds at 31 December 2019
- In February and September 2019 NN Bank issued its fourth and fifth benchmark covered bond respectively, EUR 500m each
- In April 2020 NN Bank redeemed the Arena 2014-II securitisation transaction on its FORD²

Balance sheet at 31 December 2019

EUR bn



Capital and liquidity position



Solid capital position

- Capital position exceeds regulatory requirements. For both credit risk and operational risk, the Standardised Approach is used
- Growth in capital driven by internal capital generation in the form of retained profits (self-funded growth)
- An interim 2019 dividend of EUR 26.2m was paid to NN Group. No final dividend over 2019 was paid⁵

Liquidity metrics

31 December 2019

Liquidity Coverage Ratio (LCR)	173%
Net Stable Funding Ratio (NSFR) ³	132%
Loan-to-deposit ratio ⁴	128%

Wide range of liquidity sources

- Large portfolio of retained RMBS notes and liquidity facilities plus on-balance-sheet HQLA (High Quality Liquid Assets) portfolio and cash, to manage the LCR
- Other sources of liquidity available, including external credit facilities: two committed loan facilities secured by mortgages and a credit facility with NN Group
- No resolution strategy has yet been defined by the National Resolution Authority and therefore no MREL requirements are set for NN Bank

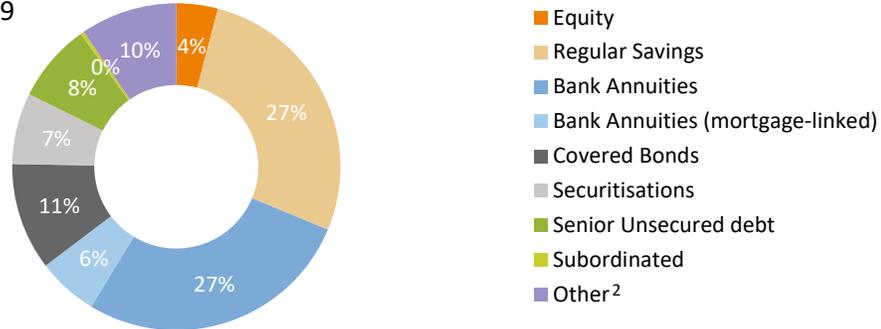


1. Pro-forma combined bank figures at 31 December 2017
2. RWA growth is in line with projected asset growth
3. NSFR is defined as the amount of available stable funding relative to the amount of required stable funding
4. Loan-to-deposit ratio is calculated by dividing the bank's total volume of commercial loans by its retail deposits
5. NN Bank follows the guidance received from DNB in view of the current COVID-19 that will ease the Dutch banking sector's capital requirements to support lending, combined with a restraint on dividend pay-out and share buyback. NN Bank intends to resume dividend payments as of the moment circumstances permit

Funding diversification

Total Equity & Liabilities¹

31 December 2019

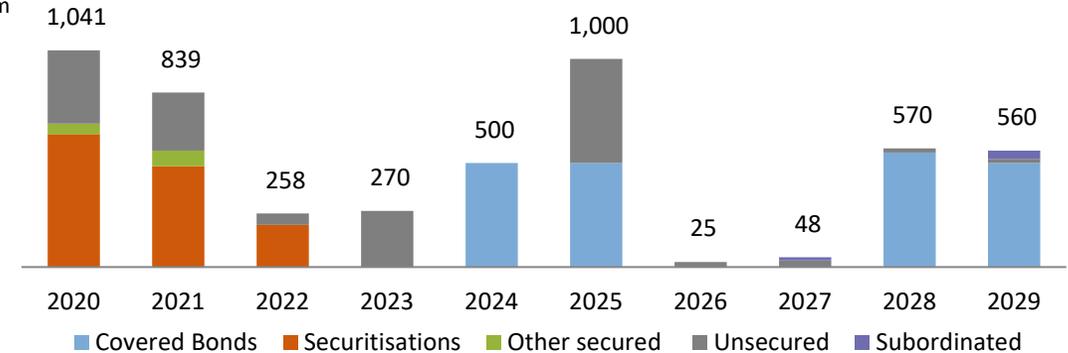


Further diversification of funding and investor base

- Funding for two-thirds retail savings (EUR 15.1bn), the remainder predominantly secured wholesale funding
- In addition to secured wholesale funding, NN Bank aims to further diversify its investor base by attracting unsecured wholesale funding

Redemption profile³

EUR m



Credit rating reflects NN Bank's "highly strategic importance" for NN Group

- Long-term credit rating of A- (stable outlook)⁴, reflecting that NN Bank:
 - is a fully owned subsidiary of NN Group
 - is closely linked to the Group's reputation, dependent on its brand recognition and operates in line with the Group's overall strategy
 - supports the Group's cross selling strategy in the Netherlands and facilitates the Group's asset and liability management

NN Bank funding programmes

Secured funding (collateralised by prime Dutch residential mortgage portfolios)

Soft Bullet Covered Bond Programme

- EUR 7.5bn programme, undrawn
- Registered with the Dutch Central Bank
- Base Prospectus last updated on 18 June 2020

Conditional Pass-Through Covered Bond Programme

- EUR 5.0bn programme, of which EUR 2.6bn issued
- Registered with the Dutch Central Bank
- Base Prospectus last updated on 4 July 2019; 1st Supplement dated 16 September 2019 and 2nd Supplement dated 14 February 2020. No further issuance is expected to take place

RMBS² Programmes

- Benchmark-size issuances at launch (i.e. at least EUR 500m)
- Hypenn RMBS series, with collateral originated by NN Life & NN Bank
- Arena RMBS series, with collateral originated by former Amstelhuys (Delta Lloyd)

Unsecured funding

Debt Issuance Programme (EMTN¹)

- EUR 3.0bn programme, of which EUR 1.5bn issued
- Wholesale funding (senior unsecured)
- Base prospectus last updated on 15 May 2019; 1st Supplement dated 15 November 2019

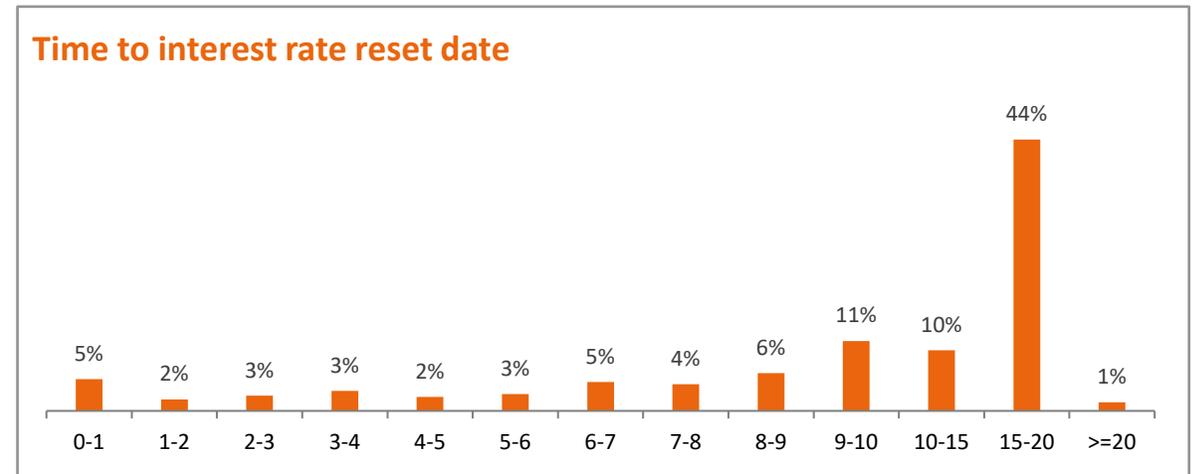
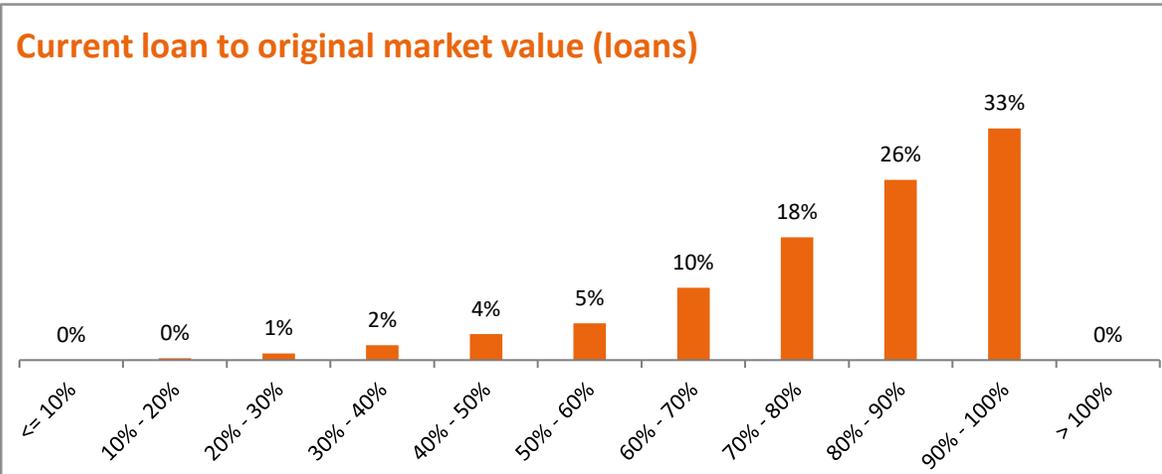
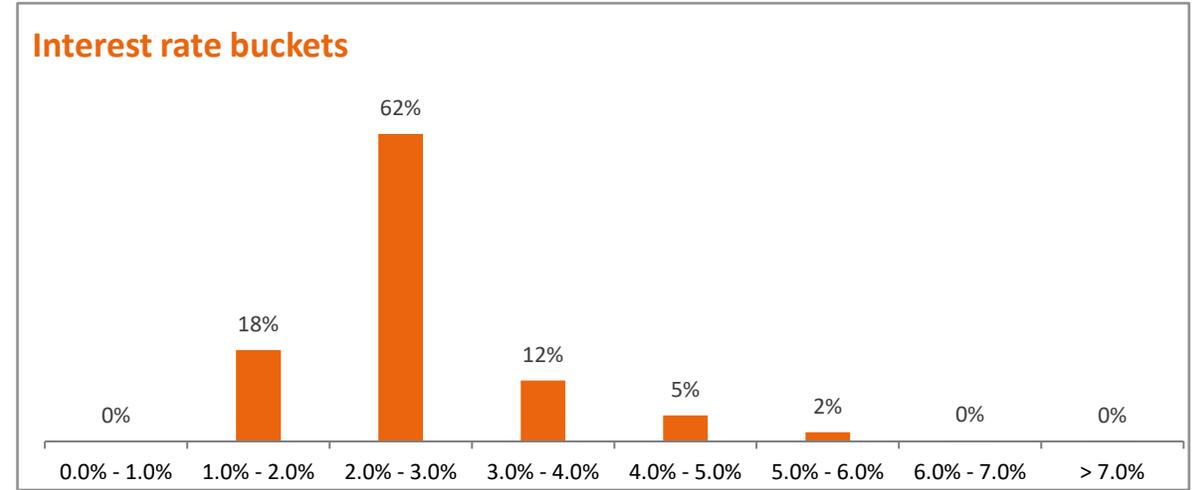
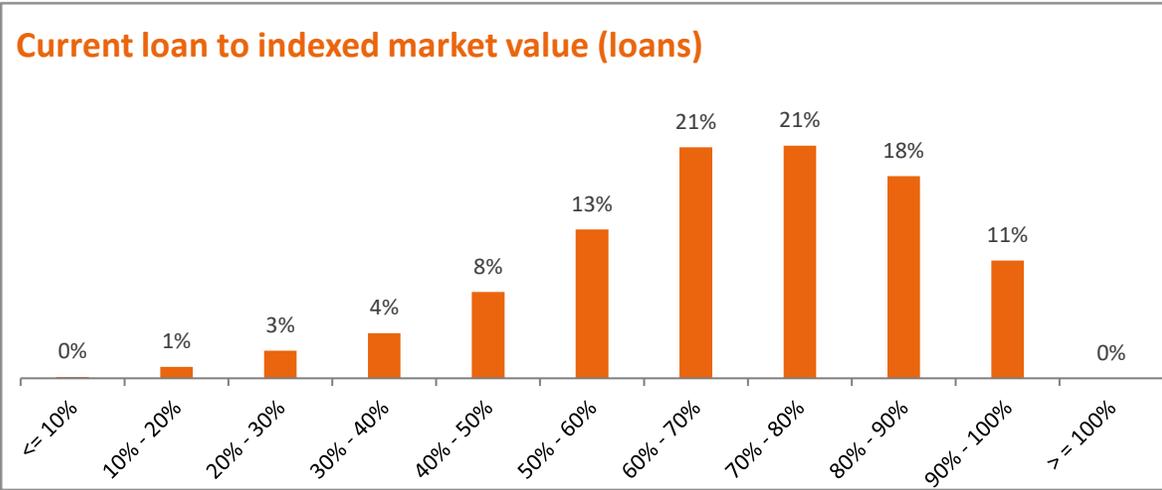
Programme documentation, investor reports and credit ratings

- Website: <https://www.nn-group.com/Investors>
- Covered Bonds: [DACB](#), [coveredbondlabel](#)
- RMBS: [dutchsecuritisation](#)
- Bloomberg: NNGRNV Corp

1. Euro Medium Term Notes
2. Residential Mortgage Backed Securities

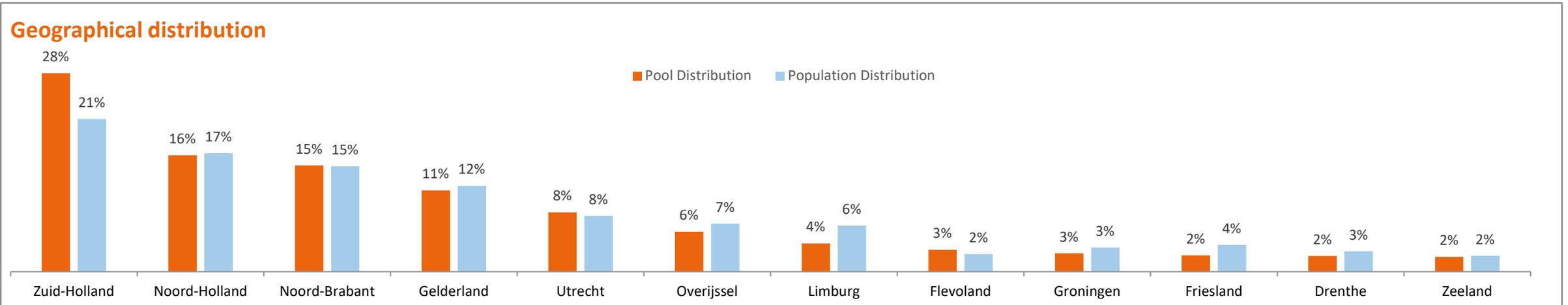
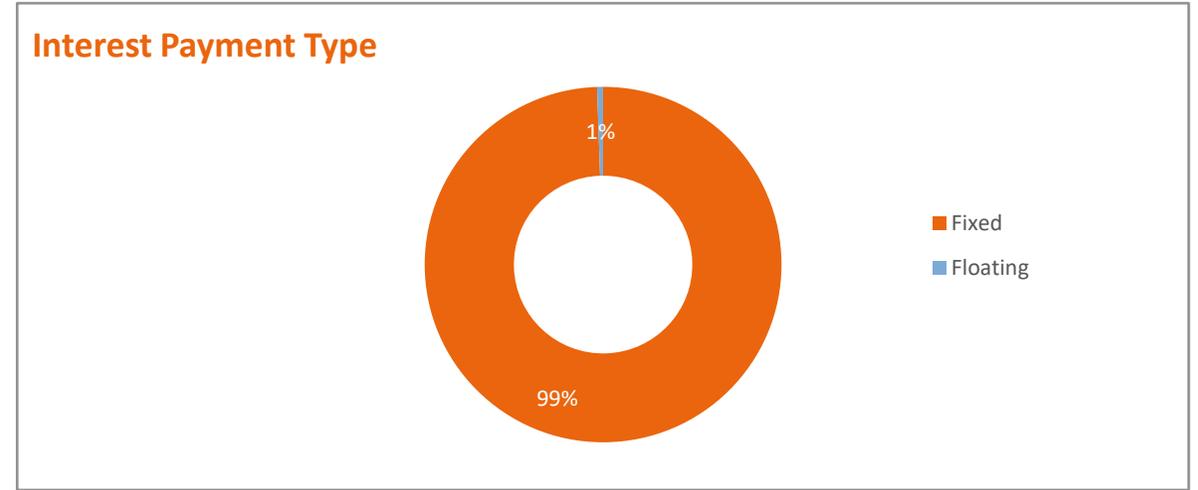
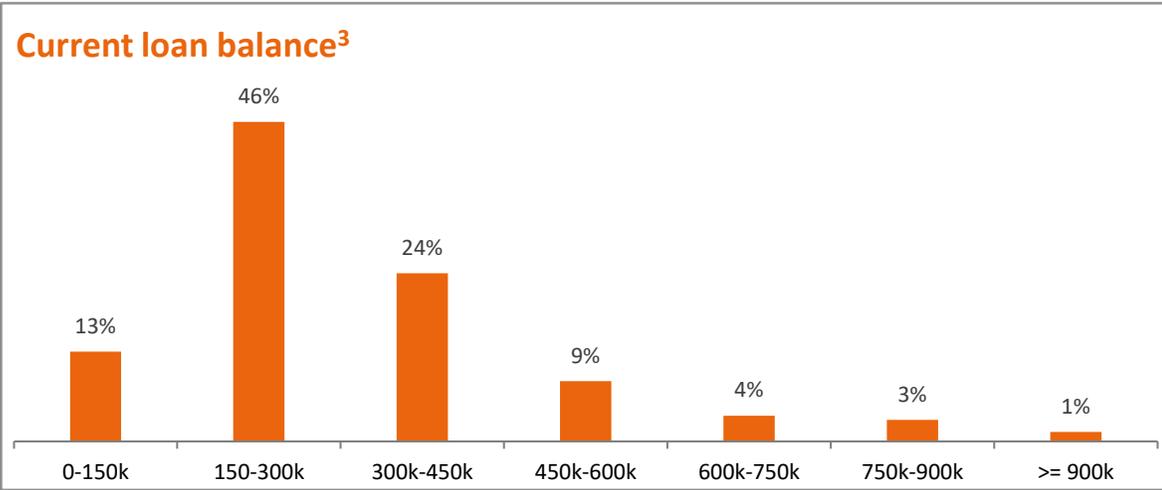
Appendices

A Preliminary cover pool: key characteristics¹



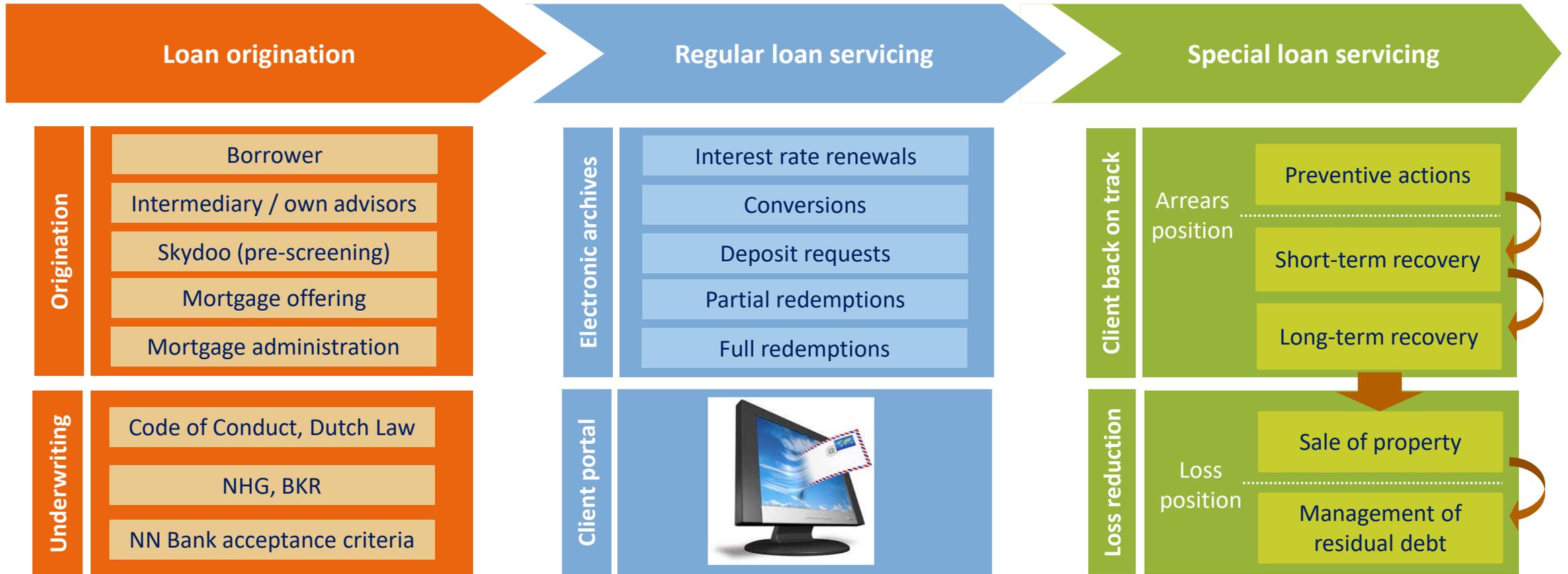
1. NN Bank preliminary cover pool with cut-off date 31 May 2020

A Preliminary cover pool: key characteristics (cont'd) ^{1,2}



1. NN Bank preliminary cover pool with cut-off date 31 May 2020
2. Population Distribution for the Netherlands is based on CBS StatLine date with cut-off date 1 January 2020
3. Cover pool does not include mortgage loans that have a current loan balance > EUR 1,000k

B Mortgage loan origination and underwriting: process¹



1. Mortgage operations only related to the NN-labelled mortgage loans. Origination and servicing of Quion (HQ50) and Delta Lloyd mortgage loans are not included here, since these are not eligible to the covered bond programme

B Mortgage loan origination and underwriting: criteria¹

All mortgage production is originated via intermediary channels

- NN Bank's mortgage origination network comprises over 1,700 active intermediaries
- Since 2012, intermediaries do not receive commission on new mortgage loan origination
- In 2014, NN Bank introduced Skydoo, an automatic pre-screening application:
 - 100% of intermediaries connected
 - handling time per application reduced by up to 70%
 - all pre-approved mortgage applications still subject to complete underwriting process

All intermediaries are licensed

- Dedicated team for initiating and maintaining contacts with intermediaries
- Both pro-active acquisition and reversed enquiry take place
- Intermediaries need to fulfil certain requirements, including a license in accordance with the Dutch Financial Services Act (Wet Financieel Toezicht) and a strategic long-term business plan
- Physical due diligence at premises of the intermediary

Screening of intermediaries

- Ongoing screening of performance of intermediaries
- Ad-hoc screening as required

1. Underwriting criteria only related to the NN-labelled mortgage loans. Origination and servicing of Quion (HQ50) and Delta Lloyd mortgage loans are not reflected here, since these are not eligible for the covered bond programme

B Mortgage loan origination and underwriting: criteria¹

Code of conduct

- NN Bank complies with the Financial Supervision Act, the Mortgage Credit Directive and special underwriting legislation (“Tijdelijke regeling hypothecair krediet”)
- Affordability calculations are based on figures of the National Institute for Family Finance Information (“NIBUD”)
- Loan-to-income and Debt-to-income ratios are compliant with Dutch Code of Conduct (“Gedragscode Hypothecaire Financiering”)

Borrower criteria

- Credit history is checked in several registers (e.g. BKR and Fraud Register)
- Applicants registered at the National Credit Register (BKR) with a negative credit profile are rejected
- Specific underwriting criteria apply if one of the applicants has a non-EU nationality and is self-employed
- Loan-to-income ratios conform to GHF (Code of Conduct)
- Self-certified income is not taken into account in the application process

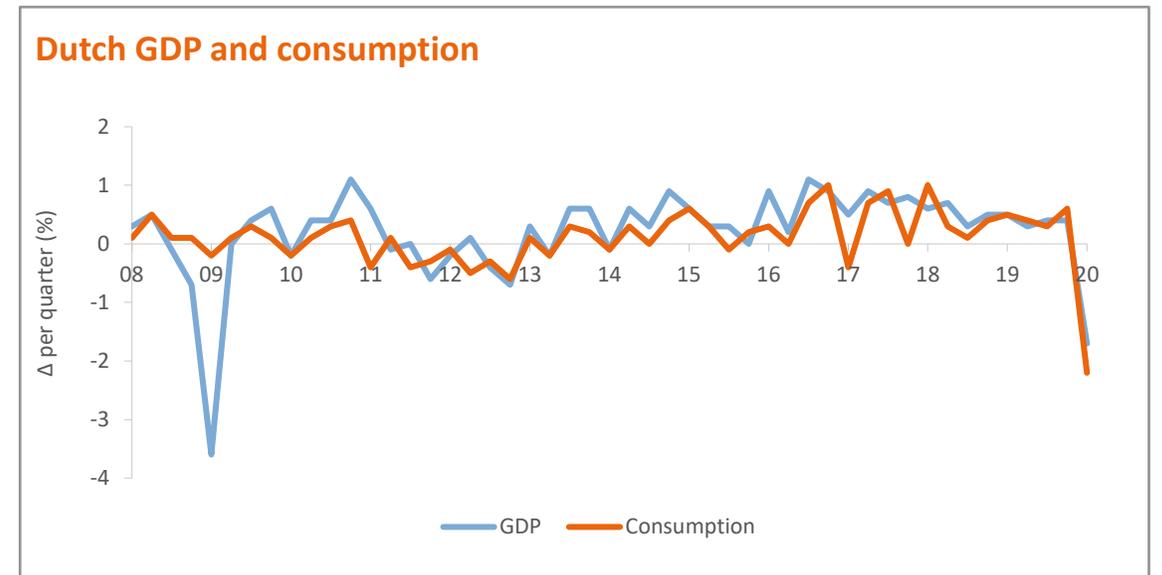
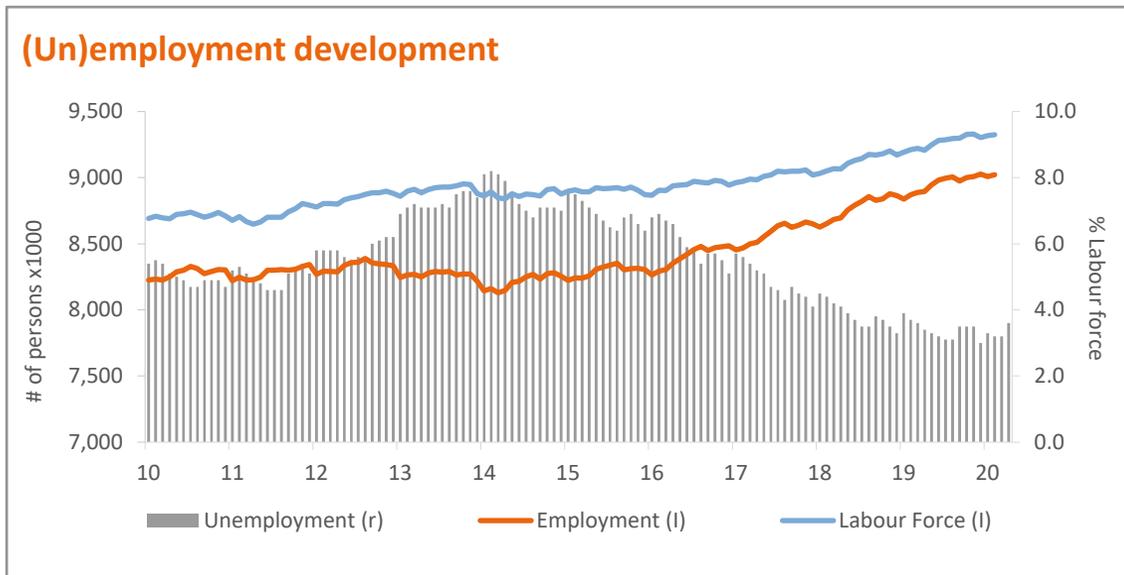
Collateral criteria

- All properties must be located in the Netherlands
- Properties with a market value above EUR 1m in most cases have a maximum loan amount of 80% of the market value
- For collateral with market value below EUR 1m, maximum LTMV is 100% (2018)
- Full valuation is commonly used; WOZ reports only utilised for further advances

1. Underwriting criteria only related to the NN-labelled mortgage loans. Origination and servicing of Quion (HQ50) and Delta Lloyd mortgage loans are not reflected here, since these are not eligible to the covered bond programme

C Dutch economy and housing market

- The rate of growth of the Dutch economy has significantly outpaced many other European countries over the second half of 2019. However, as forecasted by Rabobank¹, the uncertainty around the COVID-19 crisis is expected to cause a contraction of the Dutch GDP by 5.7 percent in 2020. International trade is being hit by countries taking far-reaching measures to tackle the health crisis
- Unemployment is expected to increase this year, from 3.4 percent in 2019 to 5 and 6.3 percent in 2020 and 2021 respectively. This is because of the shut down of certain sectors due to the COVID-19 crisis¹
- Support measures cannot prevent all consequences, but they do limit economic damage so that recovery can occur in the second half of 2020



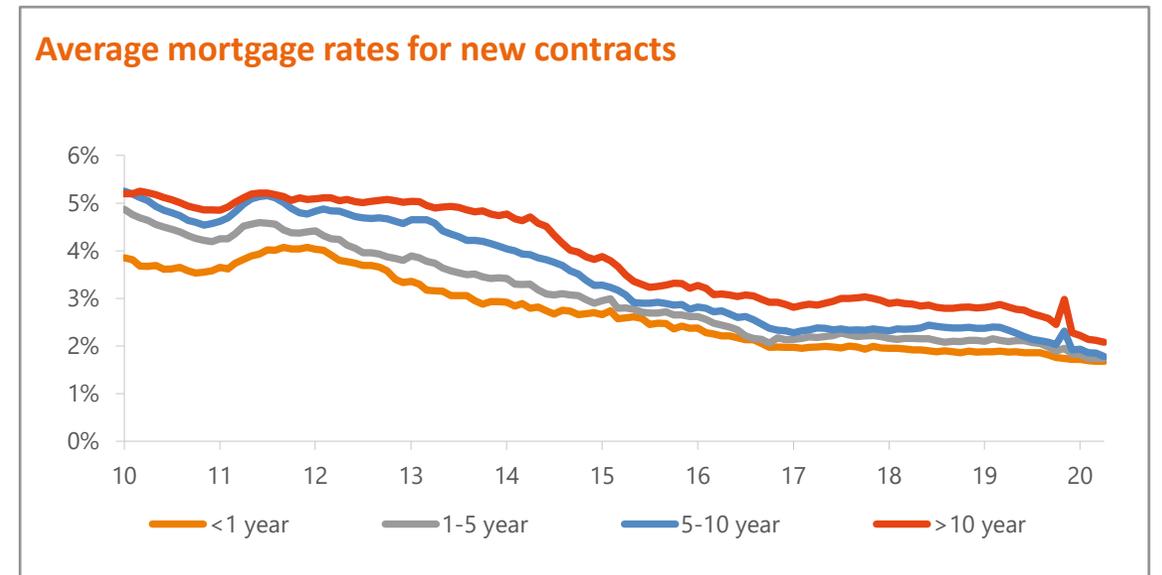
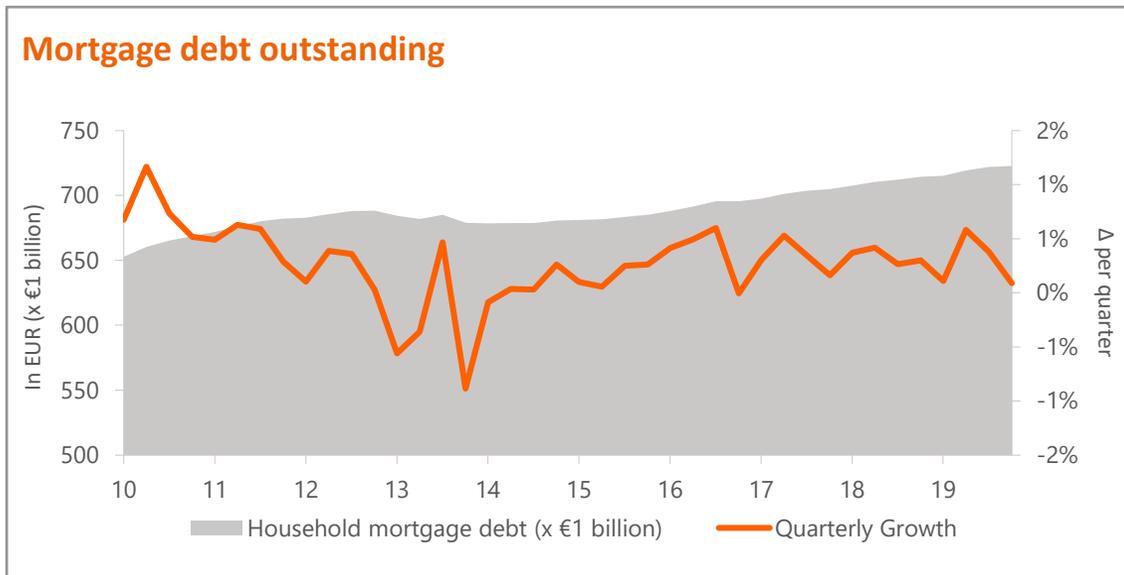
Source: CBS, Land Registry, Dutch Housing Market Quarterly Rabobank and Economic Update Rabobank, unless stated otherwise

1. RaboResearch: Limited recovery for the Dutch economy from the corona crisis. June 09, 2020

C Dutch economy and housing market

- The Dutch housing market is not immune for the COVID-19 crisis, predicted is that house sales will decrease and also house prices will drop from the second half of 2020¹
- Loss in employment, hesitant buyers and fewer buy-to-let investors are the main reasons why the number of existing owner-occupied home sales is expected to decline, despite a strong start of the year. A total of 195,000 transactions is expected, compared to 216,000 last year

- In 2019 mortgage interest rates have fallen significantly, except for a small spike in November. Several mortgage providers have increased their rates since the beginning of March 2020

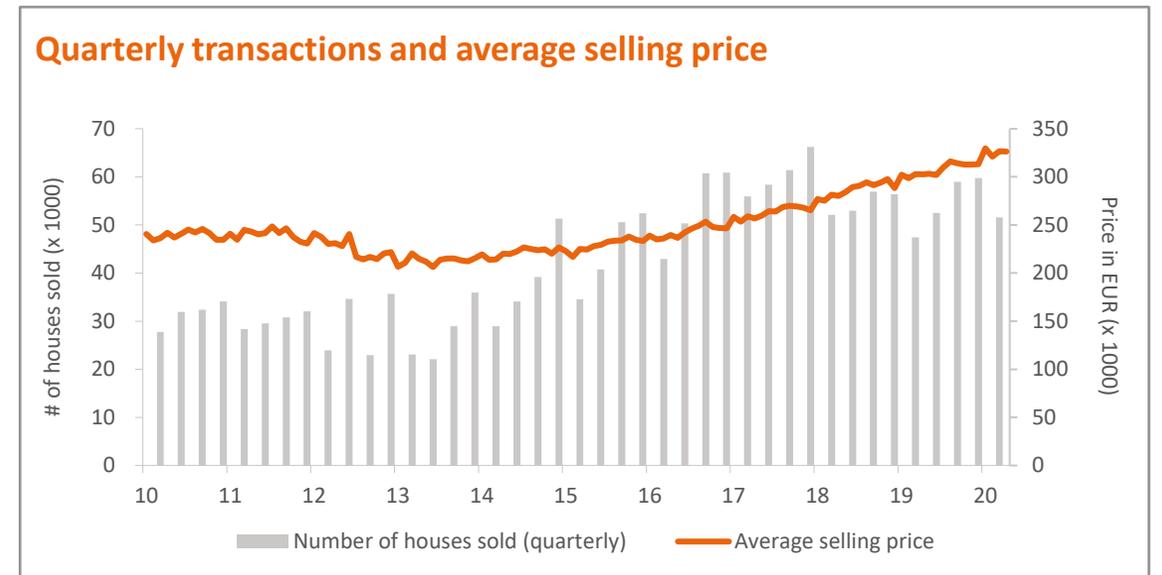
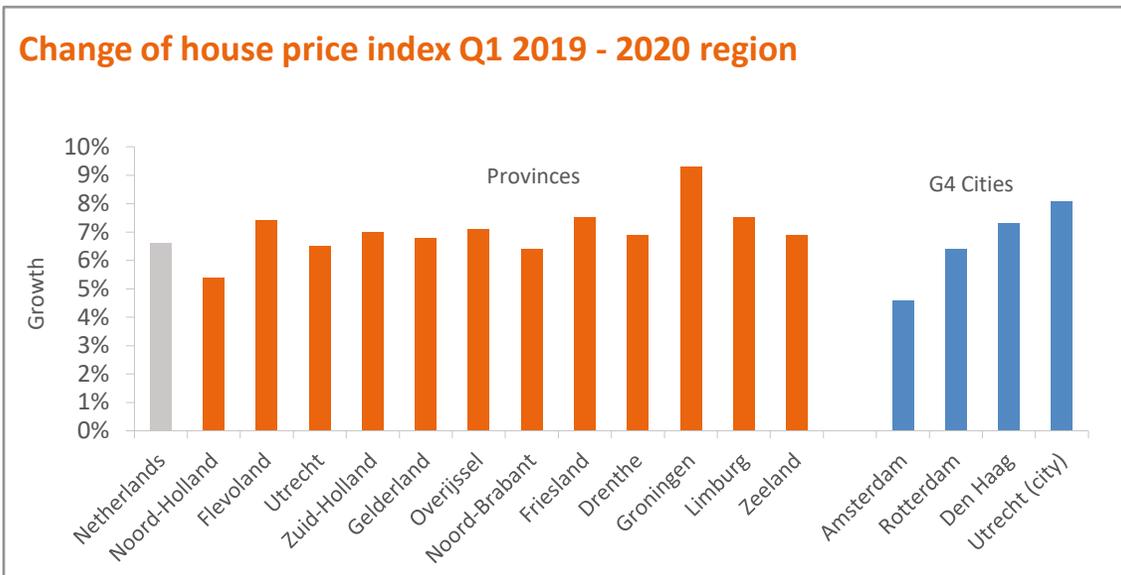


Source: CBS, Land Registry, Dutch Housing Market Quarterly Rabobank and Economic Update Rabobank, unless stated otherwise

¹ RaboResearch: Netherlands: Declining home sales and falling house prices expected. 15 June, 2020

C Dutch economy and housing market

- For most regions, the rise in house prices is slower than it has been in previous years. The trend of slower price rises is not so marked everywhere in the country: in Q4 2019 in Groningen, the prices in fact rose more sharply than in the first quarters of 2019: owner-occupied homes there are 9.3% more expensive than in the first nine months of 2019
- The average Dutch house price is EUR 325.623 in 2020 Q1, meaning a rise of EUR 12,758 when compared Q4 2019
- On average the Dutch house price index is expected to be 5.6 percent higher this year than in 2019, partly because prices rose sharply in the first months of 2020 – before the COVID-19 outbreak. For 2021 an average house price decline of 2.9 percent is expected¹

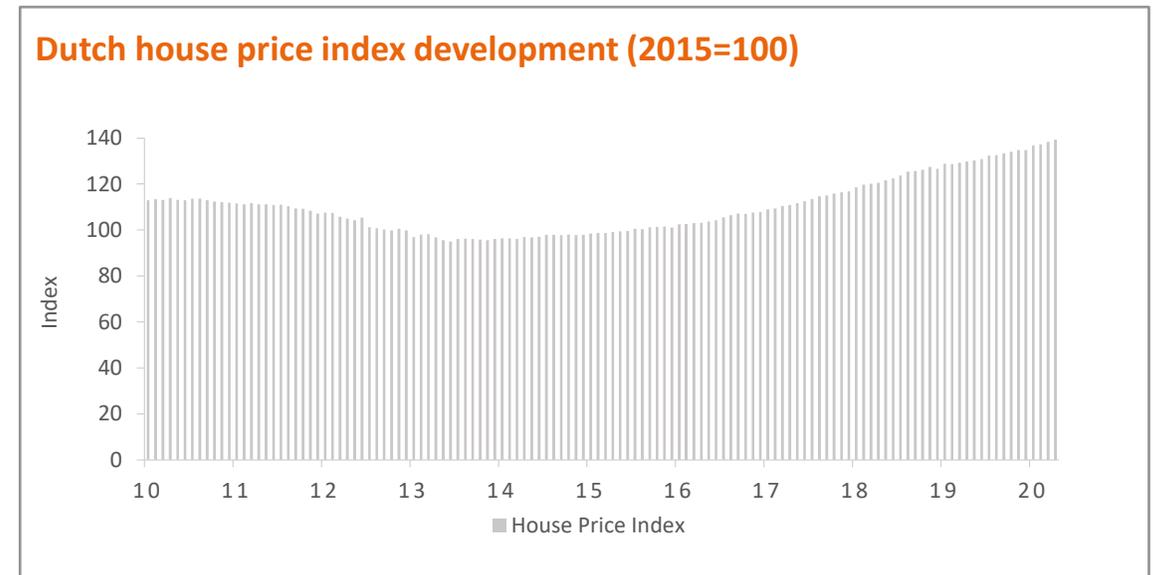
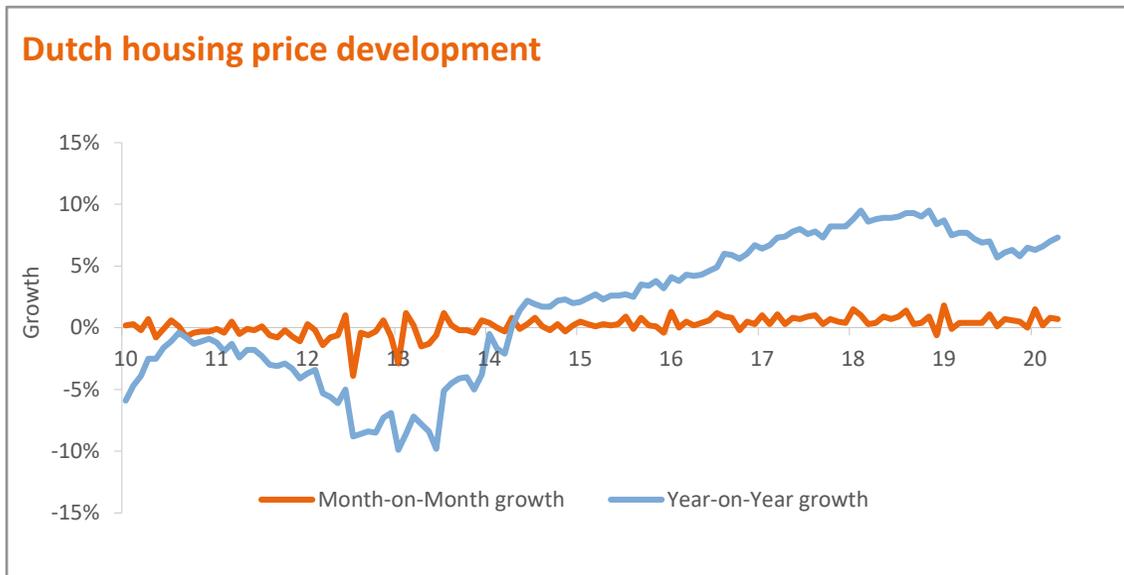


Source: CBS, Land Registry, Dutch Housing Market Quarterly Rabobank and Economic Update Rabobank, unless stated otherwise

¹ RaboResearch: Netherlands: Declining home sales and falling house prices expected. June 15, 2020

C Dutch economy and housing market

- House prices increased almost every year since the start of the recovery of the Dutch Housing Market in 2014, the first quarter of 2020 was no exception to this. The price of the average existing owner-occupied home increased by 6.2 per cent in the last year
- House prices are expected to decline for some time starting in the second half of 2020. However due to the high price increases at the beginning of this year, house prices for the full year 2020 are expected to be on average 5.6 percent higher than in 2019¹
- However government's support regulations and shortage on the housing market can mitigate the negative effects of the COVID-19 crisis

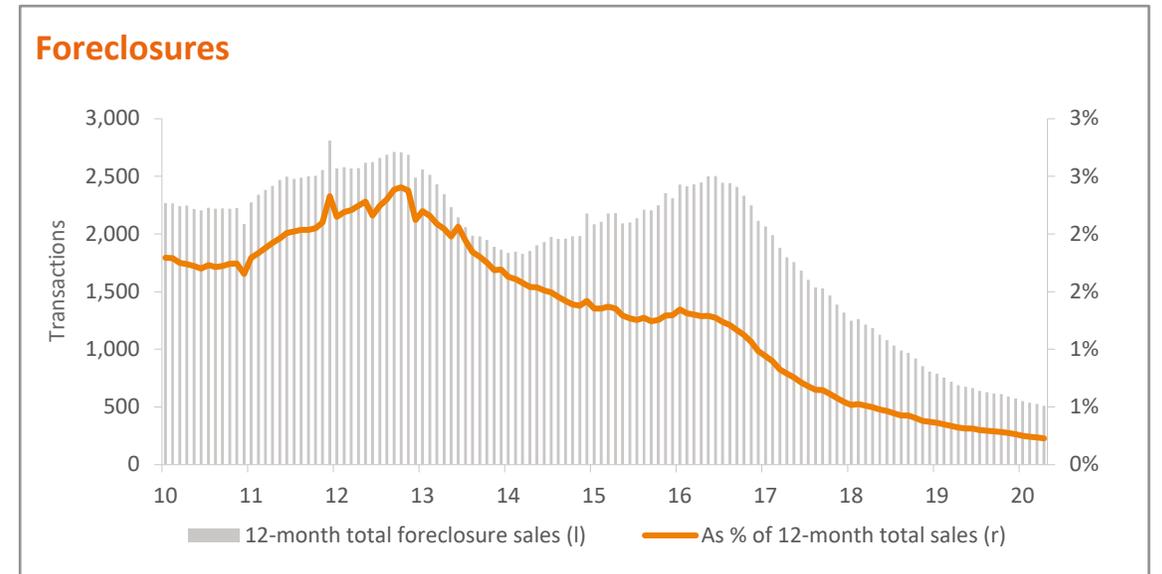
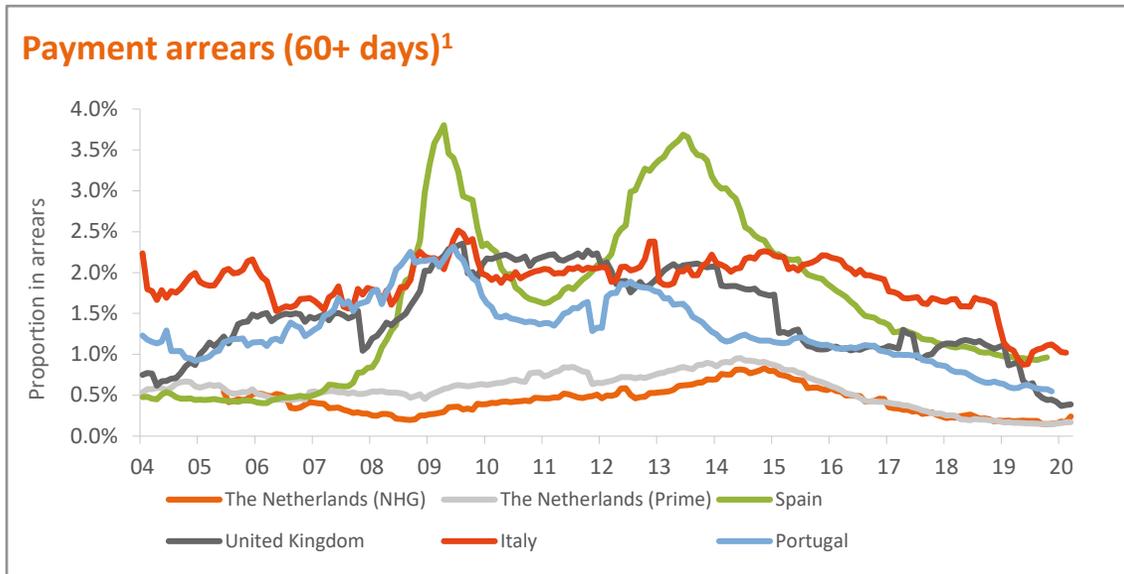


Source: CBS, Land Registry, Dutch Housing Market Quarterly Rabobank and Economic Update Rabobank, unless stated otherwise

¹RaboResearch; Netherlands: Declining home sales and falling house prices expected. 15 June, 2020

C Dutch economy and housing market

- In Europe, the mortgage payment arrears have been declining over the last couple of years. The Netherlands remains the best in class with the lowest arrears in the area and a decreasing trend since the second half of 2014
- There is a trend of declining public auctions since 2012 that continued during 2019. This decline shows both an improvement of payment problems, and a sign that banks supervise home-owners who have fallen in arrears more closely
- As shown in the table below, the Netherlands continues to perform well in terms of forced sales and the level of payment arrears compared to other European countries. Historically the Netherlands show low and stable proportions of payment arrears



Source: CBS, Land Registry, Dutch Housing Market Quarterly Rabobank and Economic Update Rabobank, unless stated otherwise

¹Moody's RMBS Performance update

D Corporate history

NN Group

- 1845 - De Nederlanden established as a fire insurance company
- 1863 - De Nationale Levensverzekering-Bank founded as a Dutch life insurance company
- 1963 - The two biggest Dutch insurers at the time – De Nederlanden and De Nationale – merge to form Nationale-Nederlanden
- 1991 - Nationale-Nederlanden and NMB Postbank Group merge to form ING Groep N.V.
- 2013 - ING Insurance's mortgage business is concentrated within NN Bank
- 2014 - As of 1 March 2014, ING Insurance rebranded to NN Group
- 2014 - NN Group listed on Euronext Amsterdam on 2 July 2014
- 2017 - NN Group completes acquisition of Delta Lloyd Group in April 2017
- 2018 - Legal mergers of Delta Lloyd Bank with NN Bank and Delta Lloyd AM with NNIP, effective on 1 January 2018
- 2019 - Legal mergers of Delta Lloyd Life with NN Life and Delta Lloyd Non-Life with NN Non-Life, effective on 1 January 2019
- 2020 - NN Group completes acquisition of VIVAT Non-life in April 2020



Source: NN Group



D Corporate history

NN Bank

- 
- 2011** – NN Bank launched as a savings bank to take advantage of opportunities in the Dutch banking market and respond to the declining individual life insurance market
 - 2013** – Growth accelerated via the acquisition of selected parts of ING Bank (WestlandUtrecht Bank), predominantly retail mortgage loans and savings¹
 - 2018** – Legal merger of NN Bank and Delta Lloyd Bank effective on 1 January 2018, following NN Group’s acquisition of Delta Lloyd Group in 2017



Source: NN Group

1. As a result of the state aid received by ING Group in 2008/2009, the European Commission imposed remedies on ING, leading to the transformation of NN Bank into an independent and viable competitor in the Dutch retail banking market, to be divested with NN Group

E Profit and Loss

Summary profit and loss account¹

(Amounts in EUR m)	2018	2019
Interest income	600	631
Interest expense	(383)	(383)
Interest result	217	248
Net fee and commission income	86	97
Gains and losses on financial transactions and other income	15	41
Valuation results on non-trading derivatives	(4)	(6)
Total income	315	380
Staff expenses	(111)	(113)
Addition to loan loss provisions	5	1
Regulatory levies	(17)	(17)
Other operating expenses	(95)	(94)
Total operating expenses	(217)	(223)
Result before tax	98	156
Taxation	(22)	(40)
Net result	76	116

1. Source: 2019 Annual Report Nationale-Nederlanden Bank N.V.

F Glossary

Abbreviation	Definition	Abbreviation	Definition
ACT	Asset Cover Test	FTE	Full-time Equivalent
AT	Amortisation Test	GHF	Code of Conduct Mortgage Loans
AFM	Dutch Authority for the Financial Markets	HDN	Hypotheek Data Network
APE	Annual Premium Equivalent	HTT	Harmonised Transparency Template
AuM	Assets under Management	LCR	Liquidity Coverage Ratio
BKR	Dutch Office for Credit Registration	LTV	Loan-to-Value
C/I	Cost / Income Ratio	MCD	Mortgage Credit Directive
CB	Covered Bond	NHG	Dutch National Mortgage Guarantee
CBC	Covered Bond Company	NNHB	NN Hypotheek Bedrijf N.V.
CET	Common Equity Tier	NTT	National Transparency Template
COLI	Corporate-Owned Life Insurance	OC	Over-Collateralisation
CPT(CB)	Conditional Pass-Through (Covered Bonds)	RMBS	Residential Mortgage-Backed Security
CRDIV	Capital Requirements Directive IV	RVS	Rotterdamse Verzekering Sociëteiten
CRR	Capital Requirements Regulation	RWA	Risk weighted assets
DACB	Dutch Association of Covered Bonds Issuers	SB(CB)	Soft Bullet (Covered bonds)
DGS	Deposit Guarantee Scheme	UCITS	Undertakings for Collective Investment in Transferable Securities
DNB	Dutch Central Bank	VNB	Value of New Business
DRMF	Dutch Residential Mortgage Fund	WA CLTOMV	Weighted Average Current Loan to Original Market Value
DSA	Dutch Securitisation Association	WA CLTOMV (indexed)	Weighted Average Current Loan to Indexed Original Market Value
ECB	European Central Bank	WEW	Stichting Waarborgfonds Eigen Woningen
ECBC	European Covered Bond Council	WU Bank	WestlandUtrecht Bank

G Contact information

Niek Allon

NN Bank Treasury

M: +31 6 2013 7640

E: niek.allon@nn.nl

Rolf-Pieter ter Horst

NN Bank Treasury

M: +31 6 2184 1550

E: rolf-pieter.ter.horst@nn.nl

Sander Roling

NN Bank Treasury

M: +31 6 1066 6854

E: sander.roling@nn.nl

Geraldine Bakker - Grier

Investor Relations Officer

M: +31 6 3094 0051

E: geraldine.bakker-grier@nn-group.com



www.nn-group.com/Investors/Debt-securities-and-credit-ratings/NN-Bank-secured-funding.htm

Disclaimer

This material has been prepared by Nationale-Nederlanden Bank N.V. (“NN Bank” or the “Company”) for informational purposes only. This material is distributed upon the express understanding that no information contained herein has been independently verified by NN Bank or any other person. Material information may have changed since the date the information was compiled.

Some of the information is based on the 2019 annual accounts of NN Bank as published on 24 March 2020.

This material is not intended as an offer to buy or sell, or the solicitation of an offer to buy or sell, any security, instrument or any participation in any transaction, either in the United States of America or in any other jurisdiction or as an inducement to enter into an investment activity. This material should also not be treated as giving investment advice. It has no regard to specific investment objectives, financial situation or particular needs of any recipient.

Except where otherwise indicated, the information provided in this material is based on matters as they exist as of the date stated or, if no date is stated, as of the date of preparation and not as of any future date, and the information and opinions contained herein are subject to change without notice. None of the Company or any of its subsidiaries accepts any obligation (i) to update or otherwise revise or keep current any such information to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof;

(ii) to correct any inaccuracies or errors in the information; or (iii) to provide anyone with access to any additional information. No representation or

warranty, either express or implied, or undertaking of any nature, is provided by NN Bank in relation to the accuracy, completeness or reliability of the information contained herein.

This material should not be regarded by recipients as a substitute for the exercise of their own judgment. Any recipient should consult with his own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent that he deems necessary, and make his own investment, hedging and trading decisions (including decisions regarding the suitability of any investment) based upon his own judgement and advice from such advisers as he deems necessary and not upon any view expressed in this material.

The recipient of this information acknowledges that the Company does not owe or assume any duty of care or responsibility to the recipient or any other person who uses the presentation or any information derived from its use. None of the Company or any of its subsidiaries or any of their respective directors, officers, employees or agents shall have any liability whatsoever (in negligence or otherwise) for any loss or damage of any kind arising from any use or reliance upon all or any part of this this material or otherwise arising in connection with the presentation and any and all such liability is expressly disclaimed.

Persons who attend or view this presentation are required to make themselves aware of and adhere to any and all restrictions applicable to them.

This presentation is not for publication, release or distribution in, nor does it constitute an offer of securities in the United States, Canada, Japan or Australia. Neither the presentation nor any copy of it may be taken or

transmitted into the United States of America, its territories or possessions (collectively, the “United States”) or distributed, directly or indirectly, in the United States or to any U.S. person as defined in regulation S under the U.S. Securities Act of 1933 (the “Securities Act”), except that it may be transmitted to non- U.S. persons outside the United States who are not acting for the account or benefit of a U.S. person, in reliance on Regulation S under the Securities Act. This presentation is not a public offer of securities for sale in the United States and any offering of securities to be made in the U.S. will be by means of an offering memorandum that may be obtained by the dealers. Any failure to comply with these restrictions may constitute a violation of U.S. securities laws, as applicable.

Any historical information is not indicative of future performance. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid. Average lives of and potential yields on any securities cannot be predicted as the actual rate of repayment as well as other relevant factors cannot be determined precisely. No assurance can be or is given that the assumptions on which such information are made will prove correct. Information of this kind must be viewed with caution.

This material contains “forward-looking statements”, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could”, “estimates”, “predicts”, “counts on”, “plans”, “continues”, “wants”, “forecasts”, “goals”, “is confident” or similar expressions or the negative thereof. Such forward-looking statements involve

Disclaimer

known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made and the Company accepts no obligation to update the forward-looking statements contained herein to reflect actual results, changes in assumptions, or changes in factors affecting these statements.

The information contained herein must be kept strictly confidential and may not be reproduced, disclosed or redistributed, in whole or in part, in any format without the express written approval of the Company. Any failure to comply with these restrictions may constitute a violation of U.S., the United Kingdom or other securities laws, as applicable. The distribution of this material in other jurisdictions may also be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, such restrictions. The use of the information is restricted to the recipient. The Company shall own all right, title, and interest in and to the information and all intellectual property rights therein.

No licence or conveyance of any rights in any intellectual property owned by the Company is granted or implied by the recipient's use of the information

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AS TO, AND NO RELIANCE SHOULD BE PLACED ON, THE FAIRNESS, ACCURACY, COMPLETENESS OR CORRECTNESS OF THE INFORMATION OR THE OPINIONS CONTAINED HEREIN. THIS PRESENTATION IS NOT TO BE RELIED UPON IN ANY MANNER AS LEGAL, TAX, REGULATORY, ACCOUNTING OR ANY OTHER ADVICE AND SHALL NOT BE USED IN SUBSTITUTION FOR THE EXERCISE OF INDEPENDENT JUDGMENT AND EACH PERSON MADE AWARE OF THE INFORMATION SET-FORTH HEREOF SHALL BE RESPONSIBLE FOR CONDUCTING ITS OWN INVESTIGATION AND ANALYSIS OF THE INFORMATION CONTAINED HEREIN. THE COMPANY DOES NOT ACCEPT ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE ANY INFORMATION CONTAINED IN THIS PRESENTATION TO REFLECT INFORMATION THAT SUBSEQUENTLY BECOMES AVAILABLE AFTER THE DATE HEREOF.

THE INFORMATION CONTAINED HEREIN MUST BE KEPT STRICTLY CONFIDENTIAL AND MAY NOT BE REPRODUCED OR REDISTRIBUTED (IN WHOLE OR IN PART) IN ANY FORMAT WITHOUT THE EXPRESS WRITTEN APPROVAL OF THE COMPANY.

NN Bank is authorised by the Dutch Central Bank.



NN