



ABN AMRO Hypotheken Groep B.V.

Annual Report

2024

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ABN AMRO Hypotheken Groep B.V. at a glance

ABN AMRO Hypotheken Groep B.V. (AAHG) is a subsidiary of ABN AMRO Bank N.V. (ABN AMRO). It focuses primarily on providing residential real estate financing to, and managing such financing for, customers in the Netherlands.

Our active brands

florius



Registered office in

Amersfoort,
the Netherlands



Number of employees (FTEs)



1,296

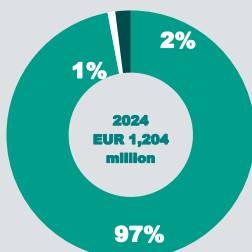
working for AAHG, seconded by ABN AMRO (2023: 1,145)

Operating income for 2024 (in EUR)

1,204 million

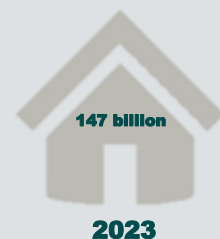
(2023: 1,370 million)

By type of income (in %)



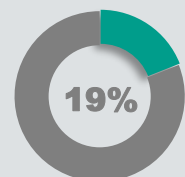
- Net interest income
- Net fee and commission income
- Other

Mortgage portfolio (in EUR)



Market share

(source: HDN¹)



(2023: 16%)



¹ The source for market share has been changed from the Land Registry Office (Kadaster) to Hypotheken Data Network (HDN). Comparative figures indicated above reflect HDN data.

Annual Report



Corporate structure

ABN AMRO Hypotheken Groep B.V. (AAHG), a private limited liability company founded under Dutch law on 30 December 1991, is a wholly owned subsidiary of ABN AMRO Bank N.V. (ABN AMRO). The financial information of AAHG has been incorporated into the 2024 consolidated financial statements of ABN AMRO.

ABN AMRO has issued a statement of joint and several liability with respect to AAHG. By virtue of this statement, ABN AMRO has assumed joint and several liability for all debts arising from legal acts of AAHG. The statement, which is governed by Section 403, Book 2 of the Dutch Civil Code, has been filed with the Trade Register of the Chamber of Commerce.

AAHG has a two-tier board structure; it has a Managing Board and a Supervisory Board.

The responsibilities and activities of the Managing Board and the Supervisory Board are governed by Dutch corporate law and the Articles of Association of AAHG. Furthermore, AAHG has established procedures for the Managing Board and Supervisory Board regarding their duties, powers and responsibilities.

Managing Board

Responsibilities

The Managing Board members collectively manage AAHG and are responsible for its strategy, structure and performance, including the assessment and management of risks associated with AAHG activities.

In performing their duties, the Managing Board members are guided by the interests and continuity of AAHG and its affiliated entities. As such, they take the interests of all AAHG stakeholders and society at large into consideration.

The Managing Board members report to the Supervisory Board and to the General Meeting. The Managing Board is required to inform the Supervisory Board about the

following topics: risk, operational and financial objectives, the financial statements, strategy and the parameters applied in relation to the strategy.

Appointment, suspension and dismissal

Managing Board members are appointed by the General Meeting. The Supervisory Board and the General Meeting may suspend a member of the Managing Board at any time. Managing Board members can only be dismissed by the General Meeting. These procedures are described in the Rules of Procedures of AAHG.

Remuneration

Managing Board members are subject to ABN AMRO's Global Reward Policy. This policy provides a framework for managing reward and performance effectively and applies globally within ABN AMRO at all levels and in all countries.

Remuneration principles

Reward philosophy	Remuneration principles
 <p>Our reward framework enables ABN AMRO to attract, motivate, develop and retain the right talent in a sustainable manner to realise our business strategy and purpose</p>	<p>Compliant & Responsible</p> <ul style="list-style-type: none"> ▶ Compliant with the boundaries of all applicable remuneration legislation and guidelines ▶ Respectful of our societal role and impact, our client's interests and other stakeholders <p>Fair & Transparent</p> <ul style="list-style-type: none"> ▶ Clear remuneration policies and processes ▶ Principle of equal pay for equal work or work of equal value ▶ Balanced total remuneration package in line with the relevant market <p>Align Employee with ABN AMRO interests</p> <ul style="list-style-type: none"> ▶ Clarity in how (individual) performance and remuneration are connected ▶ Balanced risk taking in line with our moderate risk appetite ▶ Encourages personal development and values-led behaviour as integral part of performance

The Global Reward Policy also specifies rules with respect to employees whose professional activities could have a material impact on ABN AMRO's risk profile. This group of employees is referred to as 'identified staff'.

In 2015, additional limitations with respect to remuneration and variable remuneration in particular were introduced in the Dutch financial sector. In accordance with the Dutch Act on the Remuneration Policy for Financial Undertakings (*Wet beloningsbeleid financiële ondernemingen - Wbfo*), variable remuneration has been capped at an average of 20% of the base salary of Dutch-based employees.

As long as the Dutch State holds any interest in ABN AMRO, ABN AMRO is required to apply the bonus prohibition to a specific group of senior employees, as defined in the Wbfo. Senior employees in scope of the bonus prohibition are not eligible for any variable remuneration or individual salary increases until the Dutch State has ceased to be a shareholder in ABN AMRO.

An overview of the remuneration of the Managing Board is provided in the notes to the Statutory Annual Financial Statements.

Supervisory Board

Responsibilities

The Supervisory Board supervises the Managing Board as well as the general course of affairs at AAHG. In addition, the Supervisory Board provides the Managing Board members with advice, both solicited and unsolicited.

In performing their duties, Supervisory Board members are guided by the interests of AAHG, taking into consideration the interests of all AAHG stakeholders and society at large. Several powers are vested in the Supervisory Board, including approval of certain resolutions proposed by the Managing Board.

The Supervisory Board meets at least six times a year and whenever a Supervisory Board member deems necessary. The Audit Committee and Risk Committee are the two sub-committees of the Supervisory Board. The responsibilities of the Audit Committee and Risk Committee include assessing all matters relating to the principles of valuation and determination of results, internal control, the

financial reporting functions, internal audits, the external audit, risk assessments and compliance with regulations.

Appointment, suspension and dismissal

A list of the current members of the Supervisory Board is provided in the chapter on the Supervisory Board. Supervisory Board members are formally appointed and may be suspended or dismissed by the General Meeting.

Diversity

All members of the Managing Board and the Supervisory Board are natural persons. Two members of the Supervisory Board qualify as independent, one of the four members of the Supervisory Board is female and one of the three members of the Managing Board is female.

Dutch Banking Code

The Dutch Banking Code was introduced on 1 January 2010 and sets out principles that banks should adhere to in terms of corporate governance, risk management, audit and remuneration. The Dutch Banking Code applies to AAHG as a licensed bank under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). ABN AMRO applies all principles of the Dutch Banking Code to every one of its consolidated subsidiaries.

In accordance with ABN AMRO's management framework, all group companies form an integral part of the ABN AMRO organisation. As a result, ABN AMRO's policies and standards related to compliance with internal and external regulations and best practices are applicable to the entire ABN AMRO group.

In view, however, of the differences between the activities, organisation and risk management, the application of group-wide policy and standards may vary from one subsidiary to another.

A principle-by-principle overview of the manner in which ABN AMRO and its subsidiaries comply with the Dutch Banking Code has been published on the ABN AMRO website.

The updated Dutch Banking Code came into effect on 1 January 2015 along with the Social Charter (*Maatschappelijk Statuut*) which complements the Dutch Banking Code. The updated Dutch Banking Code takes into account the recommendations of the Banking Code Monitoring Committee, the report of the Committee on the Structure of Banks, government views on the Dutch banking industry and the vision of the Dutch Banking Association. The updated Dutch Banking Code, along with the Social Charter, which includes the Banker's Oath and the associated rules of conduct and disciplinary rules, applies to all employees of financial institutions in the Netherlands and emphasises the social role of banks and their commitment to meeting the expectations of society at large.

General Meeting of Shareholders

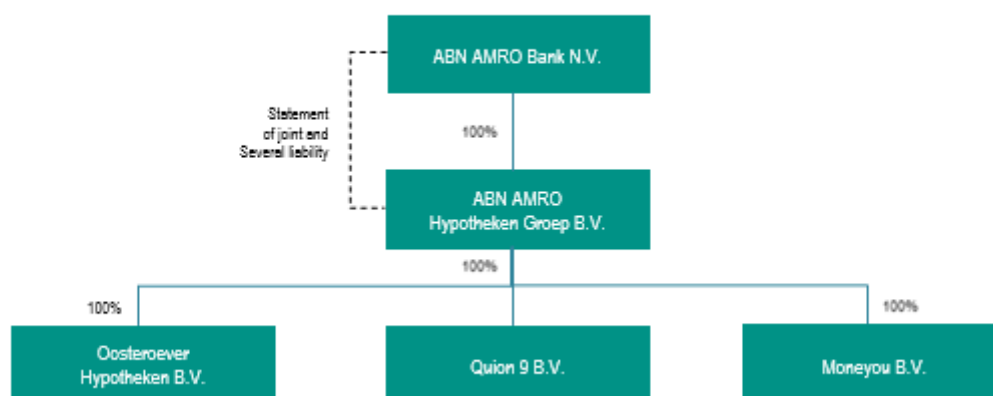
At least one General Meeting is held every year. The General Meeting is competent to adopt the annual reports and takes important decisions regarding the identity or character of AAHG. The agenda of the General Meeting includes the following items as a minimum: the annual report, adoption of the statutory annual financial statements and granting discharge to the members of the Managing Board and the Supervisory Board.

The last General Meeting was held on 23 May 2024. The General Meeting adopted the 2023 statutory financial statements and granted discharge to the members of the Managing Board and the Supervisory Board.

Legal structure

AAHG is a fully licensed bank under the Single Supervisory Mechanism implemented in November 2014. AAHG is subject to prudential supervision by the European Central Bank (ECB).

AAHG has three wholly owned subsidiaries: Quion 9 B.V., Oosteroever Hypotheken B.V. and Moneyou B.V.



Report of the Managing Board

In 2024, AAHG achieved a strong market share (new production) of 18.6%¹ (2023: 15.5%) and finished the year in second place in terms of market share. AAHG has responded well in a competitive market. We have successfully maintained a strong market position, and our mortgage portfolio has grown to EUR 152 billion (compared with EUR 147 billion in 2023).

General information

ABN AMRO's mortgage products and services are offered through the bank branches of ABN AMRO, through intermediaries and online. With regard to these products, AAHG is responsible for product development and the total mortgage chain, including servicing, mortgage advice tooling and portfolio management. With respect to operations, use is made of service providers; with the most important service provider being Stater N.V., to which AAHG has outsourced the majority of its back-office activities.

Strategy

The bank's purpose is: 'Banking for better, for generations to come'.

We are confident that we will achieve this purpose by focusing on the following three priorities over the coming years, in line with the bank-wide strategy:

Supporting our customers' transition to sustainability:

As one of the biggest mortgage providers in the Netherlands, we are committed to promoting energy efficiency.

In December 2022, ABN AMRO formulated a bank-wide climate strategy, to support the transition to a net zero economy in 2050, which was formalised by joining the Net Zero Banking Alliance (NZBA). The full published climate strategy can be found on our ABN AMRO website.

GHG intensity is the amount of CO₂ (in kg) that is emitted per square meter that ABN AMRO finances. Using GHG intensity as a metric helps existing customers to become more sustainable. Within AAHG, we are working on

improving data quality regarding emissions, setting realistic targets for our portfolio and developing business initiatives that support the climate plan.

AAHG has committed to reducing GHG intensity associated with our residential mortgage portfolio by 34% in 2030 compared to the baseline year 2021.

By the end of 2024 AAHG had refined our previous target of 18.3 kg CO₂/m² by 2030 to a new ambition target of 16.6 kg CO₂/m² by 2030 underscoring our ongoing commitment to minimising our carbon footprint. Our updated ambition is to reduce GHG intensity by 40% by 2030 compared to the baseline year 2021.

Reinventing the customer experience:

Like ABN AMRO, AAHG wants to be a customer-focused and data-driven bank that treasures the customer relationship and delivers an effortless and unique customer experience. We aim to exceed customer expectations.

We are proud that ABN AMRO and Florius once again received a five-star MoneyView product rating (MoneyView's highest rating) for the mortgage conditions for annuity, linear and interest-only mortgages.

ABN AMRO also received the Golden Lotus Award for 'klantbeheer' (customer management).

¹ The source for market shares has been changed from the Land Registry Office (Kadaster) to Hypotheken Data Network (HDN), as HDN data reflects more timely production volumes and data from peers in the mortgage market whereas the Land Registry Office records data from mortgage registrations including data of non-peers. Comparative figures indicated above reflect HDN data.

In 2024, we continued our originate-to-distribute partnership for equity release mortgages. This partnership allows us to continue to serve our mortgage customers across a wide range of market segments.

Building a future-proof bank:

Our strategy can only succeed if we unlock our people's full potential and provide them with the tools they need to contribute successfully to our purpose and strategy. In order to achieve our strategic ambition of becoming a future-proof bank, AAHG focuses on becoming a data-driven and high-performing organisation with future-proof IT systems.

In 2024, according to our strategy on interest-only mortgages, we successfully adjusted our policies and continued our efforts to proactively contact customers. The objective is to inform clients about the risks associated with their interest-only mortgage and to provide clients with greater insight at an early stage about their personal situation once their mortgage reaches maturity. By providing information about their financial situation at maturity, we aim to give our customers an understanding of the future affordability of their mortgage. We do so by taking a customer approach, by offering them ABN AMRO's online mortgage check and by giving them the option of a personal consultation with one of our mortgage specialists or the clients own advisor.

Financial information

Overall, we are satisfied with the financial results we achieved in 2024. Our key financial indicators were as follows:

(x EUR 1M)	2024	2023
Profit	673	626
Operating income	1,204	1,370
Operating expenses	290	523
Loan impairments	-76	36

Operating expenses in 2023 included a loss on sale of mortgages as disclosed in note 24. There was no 2024 contribution to the Single Resolution Board (see note 23).

Principal risks and uncertainties

Non-banks, such as pension funds, insurance companies and asset managers, continue to have a substantial share of the Dutch mortgage market, either directly or indirectly through so-called 'directing parties'.

These parties often have a different funding profile and have a stronger appetite for longer-term fixed interest rate mortgages. This leads to a competitive environment with many mortgage providers.

These non-bank competitors are often under different and lighter regulatory regimes which puts additional pressure on the competitive landscape.

Increasing regulations that AAHG is required to comply with are resulting in additional pressure on the organisation and related costs.

In order to maintain a strict risk focus, ABN AMRO and AAHG apply a three-lines-of-defence model.

The principal risks for AAHG are:

- credit risk;
- market risk banking book (specifically interest rate risk);
- liquidity risk;
- business risk;
- sustainability risk;
- change risk;
- compliance risk;
- data risk;
- fraud risk;
- ICT risk;
- third party and outsourcing risk.

More information on these risks can be found in the 'Risk management' section.

Rules and regulations

Because AAHG is a 100% subsidiary of ABN AMRO, it is exempt from the obligations set out in paragraphs 1 to 4 of Article 19a of the Corporate Sustainability Reporting Directive ('the exempt subsidiary'), as its activities are included in the consolidated management report of AAB.

For the consolidated management report of ABN AMRO, please visit www.abnamro.com/annualreport. ABN AMRO Bank N.V. is registered at Gustav Mahlerlaan 10, 1082 PP Amsterdam, Netherlands.

The Managing Board regularly informs the Supervisory Board about contact with the main regulators (AFM, DNB and ECB). Discussions were held on various topics and included the subject of interest-only mortgages.

Although ABN AMRO manages its capital centrally, AAHG is sufficiently capitalised to comply with all local regulatory solvency and liquidity requirements and to meet any local business needs.

ABN AMRO on behalf of AAHG is still in ongoing discussions with the Single Resolution Board (SRB) about the calculation method applied for annual Single Resolution Fund (SRF) contributions paid in the past. The outcome of these discussions is uncertain at this time. More information and details on the potential exposure are provided in the notes to the Statutory Annual Financial Statements.

Increased regulatory requirements, particularly on the topics of credit risk models and data, are being closely monitored by senior management and sufficient capacity has been allocated.

Changes in the Managing Board

On 13 November 2024, Erik Achterkamp was appointed by the shareholder as CRO ad interim for a maximum period of one year. This interim appointment was made due to the absence of Jan Pieter Kolk.

Strategic review

In December 2024, the Managing Board announced the 'One AAHG' strategic review. The mortgage market is in full swing and AAHG has therefore initiated this strategic reorientation to remain successful in the medium and long term.

This reorganisation proposes to establish a new top tier within the organisation. In 2025, the Managing Board will be expanded with three new statutory directors: a chief credit & control officer (CCCO), a chief operations & distribution officer (CODO) and a chief data & technologies officer (CDTO).

Information on application of codes of conduct

Compliance with the Dutch Financial Supervision Act and the related regulations and codes of conduct is an important aspect of the business practices of AAHG. In this process, AAHG applies the principles as defined by ABN AMRO. AAHG has a Supervisory Board that monitors compliance with the codes of conduct.

Amersfoort, the Netherlands, 15 May 2025

Managing Board

ABN AMRO Hypotheken Groep B.V.

Report of the Supervisory Board

The Supervisory Board is pleased to present the Annual Report 2024 as recommended by the Managing Board. The year was dominated by the assessment and implementation of regulatory requirements, the development of a revised strategy and preparing the organisation to achieve its goals for the coming years. AAHG achieved very strong market share results. The Supervisory Board appreciates the leadership the Managing Board showed to customers and employees during this period. Given all the developments, the Supervisory Board is satisfied with AAHG's financial and general performance.

Composition of the Supervisory Board

During 2024, there were no changes in the composition of the Supervisory Board. In May 2024, Jos ter Avest was reappointed by the shareholder as chair of the Supervisory Board until November 2025, in order to limit the total appointment to eight years.

The Supervisory Board is of the opinion that, as a whole, it has the required knowledge, expertise and experience to perform its supervisory duties adequately. A description of the duties, responsibilities and current composition of the Supervisory Board is provided in the 'Corporate structure' section of this Annual Report.

Remuneration of the Supervisory Board

The chair of the Supervisory Board and one member signed a supervisory services agreement and are remunerated for their roles.

The other two members of the Supervisory Board qualify as employees of ABN AMRO and are not remunerated for their roles on the Supervisory Board.

Supervisory Board meetings

The Supervisory Board held four regular meetings, as well as two half-year meetings and a summer session in 2024. Prior to each meeting, the Supervisory Board took

sufficient time to discuss topics without the Managing Board being in attendance. All scheduled plenary meetings were held in the presence of the Managing Board and the Company Secretary.

The Company Secretary prepared agendas for Supervisory Board meetings in 2024. Recurring agenda items included financial performance, risk management, compliance, audit findings, market and regulatory developments, strategy and people management.

In addition, the Supervisory Board held three deepdives/lifelong learning sessions concerning the following topics:

- model risk;
- data management; and
- a strategy update for AAHG, including the 'One AAHG' reorganisation

Throughout the year, the Supervisory Board monitored the implementation of the strategy and supported the Managing Board in its efforts to put customer interests first and maintain a strict risk focus as part of the long-term strategy. The Supervisory Board engaged regularly with the Managing Board.

The Managing Board regularly informed and briefed the Supervisory Board about planned organisational changes, strategic initiatives, outsourcing developments, incidents and events.

Audit Committee and Risk Committee

The financial information was audited by both internal and external auditors. AAHG provides the information to the members of the Supervisory Board on a regular basis in order to educate them

about the different risk types and share relevant results. The Managing Board regularly informs the Supervisory Board about the contact with the main regulators (AFM, DNB and ECB). Extensive discussions were held on the subject of interest-only mortgages.

EY is AAHG's independent external auditor. EY audited the 2024 Annual Report and the Statutory Financial Statements. The Annual Report and accompanying Statutory Financial Statements were discussed by the Supervisory Board on 15 May 2025. The members of the Supervisory Board have taken notice of the Auditor's Report. In addition, EY presented its Audit Plan for the 2024 audit to the Supervisory Board on 14 November 2024.

In 2024, the Audit Committee and Risk Committee held four plenary meetings. The Risk Management Report, which is provided to the Supervisory Board on a regular basis, served as the basis for effective discussions on material risks.

Overall, communications between the Supervisory Board and the Managing Board are perceived to be open and transparent. The Managing Board stays abreast of developments in the mortgage market and the Supervisory Board is confident that AAHG is on the right path to prepare for future challenges.

The Supervisory Board has carried out a self-assessment for the year 2024.

Advice to the General Meeting of Shareholders

The Supervisory Board recommends that the General Meeting adopt the Annual Report and Financial Statements and that it discharges the members of the Management Board for their leadership and the members of the Supervisory Board for their supervision.

Amersfoort, the Netherlands, 15 May 2025

Supervisory Board

ABN AMRO Hypotheken Groep B.V.

Annual Financial Statements



Statutory statement of financial position

(after profit appropriation)

(x EUR 1,000)	Note	31 December 2024	31 December 2023
Cash	3	336,058	905,538
Loans and advances - banks	4	875	4,056
Loans and advances - customers	5	152,384,817	146,896,491
Participating interests in group companies	6	21,896	25,379
Other assets	7	1,202,558	1,177,528
Prepayments and accrued income	8	1,345	793
Total assets		153,947,550	149,009,786
Due to banks	9	138,845,172	134,600,585
Due to customers	10	2,774,342	2,642,090
Other liabilities	11	859,687	815,671
Derivatives	12	7,026	6,918
Accruals and deferred income	13	299,758	259,946
Provisions	14	3,929	2,662
Total liabilities		142,789,916	138,327,872
Subordinated notes	15	11,100,000	10,600,000
Total subordinated liabilities		11,100,000	10,600,000
- Paid-up and called-up capital		19	19
- Other reserves		57,616	81,896
Total equity	16	57,634	81,914
Total liabilities and equity		153,947,550	149,009,786
Irrevocable commitments	17	5,263,172	4,363,600

* Please note that rounding differences could occur.

Statutory income statement

(x EUR 1,000)	Note	2024	2023
Interest income		3,705,484	3,441,955
Interest expense		2,534,279	2,201,367
Net interest income	20	1,171,205	1,240,588
Share of profit of associates	6	20,476	23,959
Fee and commission income	21	8,704	11,590
Other operating income	22	3,601	93,474
Operating income		1,203,987	1,369,611
Personnel expenses and other general and administrative expenses	23	269,149	291,400
Other operating expenses	24	96,305	195,644
Impairment charges on financial instruments	25	-75,775	36,395
Operating expenses		289,678	523,439
Operating profit before taxation		914,309	846,172
Income tax expense	26	241,682	220,542
Profit for the year		672,627	625,630

Statutory statement of cash flows

(x EUR 1,000)	Note	2024	2023
Cash flows from operating activities			
Operating profit before taxation		914,309	846,172
Adjustments of non-cash items included in profit:			
Changes in impairment charges	5	-67,183	50,117
Unrealised fair value measurement - Derivatives	24	1,588	1,381
Provisions allocated	14	3,274	1,983
Changes in operating assets and liabilities			
Changes in loans and advances - banks	4	3,181	-3,926
Changes in loans and advances - customers	5	-5,421,144	-677,531
Changes in due to customers	10	132,252	115,928
Changes in prepayments	8	-552	56
Changes in accruals and deferred income	13	-201,870	-249,184
Changes in provisions	14	-2,007	-1,997
Changes in other assets	7	-25,030	1,000,618
Change in derivatives	12	-1,480	-2,383
Changes in other liabilities	11	20,027	-11,261
Net cash from operating activities		-4,644,635	1,069,973
Cash flows from investing activities			
Disposals in property and equipment		0	1,197
Result from group companies	6	-20,476	-23,959
Dividends received from group companies	6	23,959	21,012
Net cash from investing activities		3,483	-1,750
Cash flows from financing activities			
Dividends paid	16	-672,917	-580,260
Changes in due to banks	9	4,244,587	-3,598,711
Subordinated notes issued	15	500,000	2,700,000
Net cash from financing activities		4,071,670	-1,478,971
Net increase/decrease in cash		-569,482	-410,749
Cash at 1 January		905,538	1,316,287
Increase/decrease in cash		-569,480	-410,749
Cash at 31 December	3	336,058	905,538

Notes to the Annual Financial Statements

The notes to the Statutory Annual Financial Statements of ABN AMRO Hypotheken Groep B.V. for 2024 are set out below.

1 General

ABN AMRO Hypotheken Groep B.V. (AAHG) is a private limited liability company. AAHG has its registered office at Netwerklaan 52, 3821 AG Amersfoort, the Netherlands. All ordinary shares are held by ABN AMRO Bank N.V. (ABN AMRO). AAHG is registered with the Dutch Chamber of Commerce under number 08024285.

AAHG has the following subsidiaries:

Oosteroever Hypotheken B.V.
having its registered office at:
Fascinatio Boulevard 1302
2909 VA Capelle aan den IJssel
The Netherlands
CoC no. 33112834

Quion 9 B.V.
having its registered office at:
Fascinatio Boulevard 1302
2909 VA Capelle aan den IJssel
The Netherlands
CoC no. 24272135

Moneyou B.V.
having its registered office at:
Netwerklaan 52
3821 AG Amersfoort
The Netherlands
CoC no. 32084697

AAHG offers residential mortgages in the Netherlands.

ABN AMRO is the ultimate parent company, and all shares in ABN AMRO's capital are held by two foundations: Stichting Administratiekantoor Beheer Financiële Instellingen (NLFI) and Stichting

Administratiekantoor Continuïteit ABN AMRO Bank (STAK AAB). For ABN AMRO's consolidated financial statements, please visit www.abnamro.com/annualreport.

1.1 Accounting policies

The Annual Financial Statements have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. As of 1 January 2018, AAHG has adopted the expected credit loss impairment principles of IFRS 9 'Financial Instruments', including the related disclosure requirements of IFRS 7, which is an option offered in Dutch Accounting Standard 290 'Financial Instruments' applicable under Book 2 of the Dutch Civil Code.

As an intermediate holding company, AAHG applies the consolidation exemption provided by Section 408 of Book 2 of the Dutch Civil Code.

1.2 Going concern

The annual financial statements have been prepared on a going concern basis. Within the scope of Section 403 of Book 2 of the Dutch Civil Code, ABN AMRO has provided liability for any debts arising from the legal acts of AAHG and its subsidiaries.

1.3 Estimates and assumptions

The preparation of the annual financial statements requires the management of AAHG to use judgements, estimates and assumptions. These affect the application of the accounting policies and the reported amounts of assets and liabilities, as well as income and expense.

The principal judgements and estimates, including the related assumptions, mainly concern the measurement of financial instruments (including the identification of impairments for credit losses), provisions, fair values and legal matters. For further information, see the 'Risk management' section.

1.4 Recognition and derecognition

Financial assets are generally derecognised when AAHG is no longer exposed to the economic risks and rewards associated with the contractual rights that comprise an asset. This occurs when the rights are realised, sold, or expire or substantially all risk and rewards are transferred. Financial assets are also derecognised if the bank has neither transferred nor retained substantially all risks and rewards of ownership and has no control over these financial assets.

1.5 Related parties

Parties are deemed to be related if one party has control over the other party, can exercise significant influence on the other party's financial and operating activities or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. AAHG's related parties are:

- the Managing Board of AAHG;
- the Supervisory Board of AAHG;
- Covered Bond Company B.V.;
- Covered Bond Company 2 B.V.;
- Moneyou B.V.;
- Oosteroever Hypotheken B.V.;
- Quion 9 B.V.;
- Stater N.V.;
- ABN AMRO Bank N.V. and its subsidiaries.

1.6 Foreign currency translation

The Statutory Annual Financial Statements are denominated in euros (rounded to the nearest thousand unless indicated otherwise). AAHG does not conduct any transactions in foreign currencies.

1.7 Amortised cost

Amortised cost means that, at initial recognition, a financial instrument is measured at fair value adjusted for expected repayments and amortisation of coupons, fees and expenses to represent the effective interest rate of the instrument.

1.8 Fair value

Fair value is the price at which an asset can be exchanged or a liability can be settled in an orderly transaction between independent market participants.

1.9 Maturities of assets and liabilities

Current assets and liabilities have a maturity of less than one year. Non-current assets and liabilities have a maturity of one year or longer.

1.10 Impairments

The expected credit loss model (ECL) is forward-looking. The IFRS 9 impairments are applicable to financial assets measured at amortised cost and to loan commitments. Financial instruments are divided into three groups, depending on credit risk quality:

- financial instruments without a significant increase in credit risk (stage 1, performing);
- financial instruments with a significant increase in credit risk (stage 2, underperforming);
- credit-impaired financial instruments (stage 3, default).

For further details, see the 'Risk management' section.

1.11 Comparative figures

In 2024, the penalty interest on mortgages was reported as part of the amortised cost of the mortgages.

Consequently, the 2023 figures have been reclassified as per below:

The presentation of an item of EUR 389 million that was reported as 'Receivables from group companies' is now reported under 'Loans and advances - customers'. The presentation of an item of EUR 302 million that was reported as 'Due to group companies' is now reported under 'Loans and advances - customers'.

The combined impact of the above on 'Loans and advances – customers' is EUR 87 million.

The above-mentioned reclassification does not have any impact on the 2023 profit for the year. The reclassification does not impact the 31 December 2023 equity position.

This is applied consistently for the 2024 figures.

2 Accounting policies for the statement of financial position and income statement

2.1 Cash

Cash represents account balances that are immediately due and payable. Cash is measured at nominal value.

2.2 Loans and advances - banks

Loans and advances - banks include receivables from ABN AMRO that are and are not payable on demand. At initial recognition, loans and advances - banks are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method, net of impairment losses.

2.3 Loans and advances - customers

Loans and advances - customers consist of mortgage loans less impairments. A mortgage loan is always originated on the basis of collateral. At initial recognition, loans and advances - customers are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method, net of impairment losses.

2.4 Participating interests in group companies

Participating interests in group companies are recognised using the net asset value method.

Mergers and acquisitions

In the case of a transaction under common control, the carry-over accounting method is applied. This means that the transaction is stated at the carrying amount in the financial statements for the financial year, in line with the amount included in the financial statements of the parent, as of the merger date. The comparative figures are not restated. The difference between cost and the carrying amounts of the acquired assets and liabilities is recognised in equity.

2.5 Other assets

Other assets consist of receivables from group companies, cash in transit, trade receivables and other assets. At initial recognition, other assets are measured at fair value; they are subsequently measured at amortised cost using

the effective interest rate method, net of impairment losses.

2.6 Prepayments

Prepayments reflect expenses paid at the reporting date that relate to future periods.

2.7 Due to banks

Amounts due to banks consist of debts to ABN AMRO that are not payable on demand. At initial recognition, amounts due to banks are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method.

2.8 Due to customers

Amounts due to customers consist of deposit accounts for premium deposits paid on savings-based mortgages that will be used by customers to pay future premiums on their mortgage loans and of savings accrued by customers. At initial recognition, amounts due to customers are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method.

2.9 Other liabilities

Other liabilities consist of trade payables, dividends payable and other liabilities. At initial recognition, trade payables and other liabilities are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method. Dividends payable are measured at nominal value.

2.10 Derivatives

At initial and subsequent recognition, derivatives are measured at fair value. Gains and losses, both on subsequent measurement and derecognition, are recognised through other operating income in the income statement.

2.11 Accruals and deferred income

Accruals and deferred income comprise interest payable and other deferred items. At initial recognition, accruals and deferred income are measured at fair value; they are subsequently

measured at amortised cost using the effective interest method.

2.12 Provisions

A provision is recognised in the statement of financial position when:

- there is a present obligation (legal or constructive) as a result of past events;
- a reliable estimate can be made of the amount of the obligation; and
- it is probable that an outflow of resources will be required to settle the obligation.

Provisions are recognised based on the best estimate of the expenditure that is expected to be required to settle the obligations and losses. Unless otherwise indicated, provisions are measured at present value.

A provision for claims, disputes and legal proceedings is recognised if it is probable that an outflow of resources will be required to settle the claims, disputes or court cases.

The provision is based on the best estimate of the amount for which the claim can be settled.

2.13 Subordinated liabilities

Subordinated liabilities cannot be paid upon liquidation unless the claims of other higher-priority creditors have been settled. At initial recognition, subordinated liabilities are measured at fair value; they are subsequently measured at amortised cost using the effective interest rate method.

2.14 Equity

The share capital comprises the issued and paid-up ordinary shares in AAHG.

2.15 Net interest income

Interest income and interest expense are recognised in the period to which they relate and accounted for based on the effective interest rate method. Repayment fees are allocated to consecutive reporting periods in the form of interest expense such that, together with the interest due on the loan, the effective interest rate is recognised through profit or loss and the amortisation value in the statement of financial position.

2.16 Fee and commission income

Fees and commissions are recognised as and when the services are provided. Service fees are recognised on a straight-line basis over the service contract period; portfolio and other management advisory fees are recognised based on the applicable service contracts.

Fees and commissions dependent on the outcome of a particular event or based on performance are recognised when the relevant conditions are met.

2.17 Other operating income

Other operating income is recognised in the period to which it relates. Other operating income mainly concerns reimbursements, advice and handling fees.

2.18 Personnel expenses and other general and administrative expenses

Personnel expenses relate to all externally hired staff. The related expense is recognised in the income statement in the period in which the work is performed. The employees are hired from ABN AMRO on the basis of a secondment contract. ABN AMRO charges this expense to AAHG on a monthly basis.

General and administrative expenses include housing, office and IT expenses, as well as selling and advertising expenses incurred in the reporting period. As from 2023, the costs associated with hardware are also recharged from ABN AMRO to AAHG on a monthly basis. External staff are hired (from other parties than ABN AMRO) to perform operational activities. The costs associated with external hires are recognised as services provided by third parties.

2.19 Other operating expenses

Other operating expenses are recognised in the period to which they relate.

2.20 Impairment charges on financial instruments

Loan impairment charges are recognised in the income statement as an addition to, or release of, the loan impairment charges within the 'Loans and advances - customers' item in the statement of financial position.

2.21 Income tax expense

Current tax assets and liabilities are based on the prevailing tax rate, with reference to the profit or loss and taking into account tax-exempt items and any partly or non-deductible expenses.

Deferred tax is recognised for qualifying temporary differences. Temporary differences represent the difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered.

AAHG forms a corporate income tax group with ABN AMRO and several of ABN AMRO's Dutch subsidiaries. Each member of the tax group bears joint and several liability for the corporate income tax payable by the members of the tax group. Taxes are settled within this tax group as if each company were an autonomous taxpayer.

2.22 Statement of cash flows

The statement of cash flows has been prepared using the indirect method and provides an understanding of the source of the cash that became available during the year as well as its application during the year. Where net cash from operating activities is concerned, the operating profit before taxation is adjusted for items in the income statement and the statement of financial position that effectively result in cash flows in the reporting period. Cash flows from operating, investing and financing activities are presented separately.

2.23 Changes in accounting estimates

There were no changes in accounting estimates during the current or prior financial year.

3 Cash

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Cash	336,058	905,538
Cash	336,058	905,538

Cash is at AAHG's free disposal. A bank guarantee exists for an amount of EUR 2.9 billion at 31 December 2024 (2023: EUR 2.7 billion).

4 Loans and advances - banks

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Receivables from group companies	875	4,056
Loans and advances - banks	875	4,056

The 2023 figures presented in this note have been reclassified. For further details, please see Note 1.11 'Comparative figures'.

Receivables from group companies have a remaining term to maturity of less than three months and the expected credit loss (ECL) is not material. The 2023 receivable position has been fully received in 2024.

5 Loans and advances - customers

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Mortgage loans	152,512,001	147,090,857
Loan loss allowances	-127,183	-194,366
Loans and advances - customers	152,384,817	146,896,491

The 2023 figures presented in this note have been reclassified. For further details, please see Note 1.11 'Comparative figures'.

Mortgages are collateralised. The collateral (i.e. the net collateral value) provided for the mortgage loans was worth EUR 317 billion on 31 December 2024 (2023: EUR 263 billion). The collateral for bank savings was EUR 2.7 billion (2023: EUR 2.5 billion). The surplus value of the collateral amounted to EUR 171 billion (2023: EUR 125 billion). Reference is made to the section on credit risk for further details on the collateral obtained.

A total of EUR 34.8 billion in mortgage loans has been pledged in relation to ABN AMRO Covered Bond Company B.V. (2023: EUR 35.5 billion), EUR 44.6 billion has been pledged in relation to ABN AMRO Covered Bond Company 2 B.V. (2023: EUR 47.5 billion) and EUR 3.2 billion has been pledged to a.s.r. (2023: EUR 3.3 billion).

Movements in mortgage loans were as follows:

(x EUR 1,000)	2024	2023
At 1 January	147,090,857	146,413,326
Originated	18,837,546	13,744,789
Repayments	-13,556,353	-12,750,466
Change in deeds of assignment	305,093	183,257
Mortgages sold	-165,142	-500,049
At 31 December	152,512,001	147,090,857

Mortgages sold relate to the sale of a portfolio of mortgages in 2024. The result is reported under 'Other operating income (expenses)' accordingly.

The remaining contractual terms to maturity of the mortgage loans can be broken down as follows:

(x EUR 1,000)	2024	2023
Short-term (less than 3 months)	223,993	260,796
Short-term (between 3 months and 1 year)	237,233	151,433
Long-term (between 1 and 5 years)	4,298,239	3,390,038
Long-term (more than 5 years)	147,752,536	143,288,591
At 31 December	152,512,001	147,090,857

Loan loss allowances

Movements in this item can be broken down as follows:

(x EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	23,585	47,835	122,946	194,366
Transfer to stage 1	18,251	-19,154	-3,287	-4,191
Transfer to stage 2	-1,960	35,925	-28,264	5,701
Transfer to stage 3	-602	-5,007	20,890	15,282
Reversal of impairment no longer required including IFRS 9 model refinements	-8,694	-18,042	-46,612	-73,348
Change in existing allowances	6,994	-6,278	-57,272	-56,556
Subtotal	30,579	41,557	65,674	137,810
Originated (production)	4,090			4,090
Repayments	-1,790	-3,153	-8,619	-13,562
Write-offs			-2,453	-2,453
Changes in risk parameters	1,042	1,346	-1,090	1,298
At 31 December 2024	33,921	39,750	53,512	127,183

The decrease in loan loss allowances was mainly caused by IFRS 9 model refinements and a revision of the IFRS management overlay framework for mortgages. Improved risk parameters (e.g. improved housing prices) also led to additional releases.

The loan loss allowance for stage 1 includes an amount of EUR 0.1 million for loan commitments.

(x EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
At 1 January 2023	18,615	54,308	71,326	144,249
Transfer to stage 1	14,022	-17,167	-621	-3,765
Transfer to stage 2	-1,802	26,884	-18,665	6,417
Transfer to stage 3	-789	-4,441	28,367	23,137
Impairment charges for the period / Reversal of impairment no longer required	-12,818	-5,271	54,045	35,956
Change in existing allowances	-1,386	6	63,126	61,745
Subtotal	17,229	54,314	134,452	205,994
Originated (production)	3,519			3,519
Repayments	-804	-5,742	-10,199	-16,746
Write-offs			-1,385	-1,385
Changes in risk parameters and models	3,641	-736	78	2,983
At 31 December 2023	23,585	47,835	122,946	194,366

In 2023, the loan loss allowance for stage 1 included an amount of EUR 0.2 million for loan commitments. AAHG uses impairment models developed by ABN AMRO to calculate expected losses on the mortgage portfolio. For more details, see the 'Risk management' section.

Write-offs

When a customer cannot recover from payment arrears, their home is foreclosed and the residual debt is written off. If any payments are received after the residual debt has been fully written off, these are recognised in the income statement within impairment charges.

6 Participating interests in group companies

AAHG's participating interests in group companies are as follows:

(x EUR 1,000)		2024	2023
Quion 9 B.V.	100%	15,510	17,839
Oosteroever Hypotheken B.V.	100%	6,337	7,490
Moneyou B.V.	100%	50	50
Participating interests in group companies		21,896	25,379

Quion 9 B.V. generated a profit for 2024 of EUR 15.3 million (2023: EUR 17.6 million) and Oosteroever Hypotheken B.V. posted a profit for the year of EUR 5.2 million (2023: EUR 6.4 million). All of these profits will be distributed to AAHG in the form of dividend. As the dividend was declared after the year end, the participations are recognised inclusive of the 2024 result.

Movements in participating interests in group companies can be broken down as follows:

(x EUR 1,000)	Quion 9 B.V.	Oosteroever Hypotheek B.V.	Moneyou B.V.	Total
At 1 January 2023	14,870	7,512	50	22,432
Profit for the year	17,603	6,356	0	23,959
Interim and final dividend	-14,634	-6,378	0	-21,012
At 31 December 2023	17,839	7,490	50	25,379
Profit for the year	15,274	5,202	0	20,476
Interim and final dividend	-17,603	-6,356	0	-23,959
At 31 December 2024	15,510	6,337	50	21,896

7 Other assets

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Receivables from group companies	13,546	24,083
Cash in transit	644,584	489,930
Trade receivables	17,498	17,491
Current account with insurers	350,596	463,744
Other receivables	176,333	182,281
Other assets	1,202,558	1,177,528

Receivables from group companies consist of receivables from subsidiaries.

Cash in transit mainly consists of mortgage loans for which money is held in escrow by a civil-law notary.

The item 'Current account with insurers' mainly consists of receivables from various insurers relating to savings-linked mortgages.

All receivables except for 'Other receivables' have a remaining term to maturity of less than three months.

An additional contribution of approximately EUR 120 million was paid (under protest) to the Single Resolution Board in mid-2023 and is included under 'Other receivables'. Further details can be found in note 18.

The rest of 'Other receivables' comprise receivables with a remaining term to maturity of between three months and one year.

8 Prepayments

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Prepaid expenses	1,345	793
Prepayments and accrued income	1,345	793

All prepayments and accrued income have a remaining term to maturity of less than 12 months.

9 Due to banks

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
- Due to ABN AMRO - Funding	138,610,017	134,387,308
- Due to ABN AMRO - Bank accounts	0	1,611
- Due to group companies	235,155	211,667
Due to banks	138,845,172	134,600,585

The 2023 figures presented in this note have been reclassified. For further details, please see Note 1.11 'Comparative figures'.

ABN AMRO provides AAHG (including its subsidiaries) with funding for the purpose of issuing mortgage loans and AAHG transfers part of the funding to its subsidiaries (EUR 4 billion). The contractual term to maturity of this funding runs until the date of cancellation of the funding agreement. As from the date of cancellation of all or part of the funding, AAHG may request further drawings under all or part of the funding agreement to be cancelled until six months after the cancellation date. After that date, no further drawings may be requested under all or part of the funding agreement. This is referred to as the cut-off date.

The expected maturity of this funding is in line with the average liquidity maturity of the mortgage loans. The interest paid on funding is at arm's length. The required funding is reassessed and settled every month.

The item 'Due to ABN AMRO – Bank accounts' in the table above concerns the overdraft in the intercompany account with ABN AMRO. The term to maturity of this debt is less than three months.

The item 'Due to group companies' is payable on demand.

10 Due to customers

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Bank savings deposits linked to mortgages	2,684,142	2,547,054
Bank savings deposits not linked to mortgages	7,766	7,372
Savings deposits not linked to mortgages	78,059	81,951
Premium deposit accounts	4,375	5,712
Due to customers	2,774,342	2,642,090

The maturity of the liabilities can be broken down as follows:

(x EUR 1,000)	Between 0 and 12 months	Between 1 and 5 years	More than 5 years	Total at 31 December 2024
Bank savings deposits linked to mortgages	1,527	46,525	2,636,090	2,684,142
Bank savings deposits not linked to mortgages	7,766			7,766
Savings deposits not linked to mortgages	78,059			78,059
Premium deposit accounts	186	357	3,832	4,375
Due to customers	87,538	46,881	2,639,923	2,774,342

(x EUR 1,000)	Between 0 and 12 months	Between 1 and 5 years	More than 5 years	Total at 31 December 2023
Bank savings deposits linked to mortgages	1,826	37,739	2,507,490	2,547,054
Bank savings deposits not linked to mortgages	7,372			7,372
Savings deposits not linked to mortgages	81,951			81,951
Premium deposit accounts	251	359	5,102	5,712
Due to customers	91,400	38,097	2,512,592	2,642,090

Movements in bank savings deposits linked to mortgages can be broken down as follows:

(x EUR 1,000)	Bank savings deposits linked to mortgages
At 31 December 2023	2,547,054
Deposits	208,147
Interest	74,167
Withdrawal	-145,226
At 31 December 2024	2,684,142

The bank savings deposits are linked to mortgage loans, which means that customers cannot demand their immediate payment.

The bank savings deposits not linked to mortgage loans are due to customers.

The savings deposits not linked to mortgage loans are due to insurers.

Customers use premium deposit accounts to pay future premiums for their mortgage loans.

11 Other liabilities

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Dividends payable	696,906	672,917
Due to group companies	37,876	41,221
Trade payables and cash in transit	88,391	72,054
Current account with insurers	7,662	5,356
Other liabilities	28,852	24,123
Other liabilities	859,687	815,671

The remaining contractual term to maturity of the other liabilities is less than three months.

The item 'Due to group companies' mainly consists of liabilities to subsidiaries.

12 Derivatives

The derivative liability is as follows:

(x EUR 1,000)	2024	2023
Derivative liability	7,026	6,918
Derivative liability	7,026	6,918

In July 2022, ABN AMRO Verzekeringen B.V. paid AAHG an amount at fair value to redeem the residual risk related to the guaranteed amount of the savings-linked mortgages. This derivative liability is both initially and subsequently measured at fair value.

13 Accruals and deferred income

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Advance mortgage receivables	13,223	19,413
Accounts payable	13,719	13,166
Mortgages payable	4,545	7,123
Tax payable to shareholder	249,976	193,507
Deferred tax payable	18,295	26,737
Accruals and deferred income	299,758	259,946

Deferred income relates to the item 'Advance mortgage receivables', i.e. customers who have made prepayments on their mortgage. Accruals relate to accrued expenses. All accruals and deferred income have terms to maturity of between three months and one year.

AAHG forms a corporate income tax group with ABN AMRO and several of ABN AMRO's Dutch subsidiaries. Deferred tax is recognised for qualifying temporary differences.

14 Provisions

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Restructuring provision	2,921	0
Other provisions	1,008	2,662
Provisions	3,929	2,662

The level of the provisions is determined based on the best estimate of the expenditure required to settle the obligations and losses at the reporting date. Unless indicated otherwise, provisions are measured at present value. No provision has been recognised if the expenditure required to settle the obligation cannot reliably be estimated.

Restructuring provisions:

Following the announcement of AAHG's strategic review 'One AAHG', a restructuring provision of EUR 2.9 million has been formed. Settlement of the provision is expected to be completed by the end of 2025.

Other provisions:

Other provisions contains an amount of EUR 1.0 million related to mortgage administration activities.

(x EUR 1,000)	Restructuring provision	Other	Total
At 1 January 2023	0	2,676	2,676
Allocated	0	1,983	1,983
Utilised during the year	0	-1,997	-1,997
Released	0	0	0
At 31 December 2023	0	2,662	2,662
Allocated	2,921	762	3,683
Utilised during the year	0	-2,007	-2,007
Released	0	-409	-409
At 31 December 2024	2,921	1,008	3,929

15 Subordinated liabilities

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Subordinated notes	11,100,000	10,600,000
Subordinated liabilities	11,100,000	10,600,000

Subordinated liabilities increased by EUR 0.5 billion, as a result of the issuance of five notes of EUR 100 million to ABN AMRO Bank N.V. The notes were issued on 1 December 2024 and are redeemable on 30 June 2030. The notes were issued to comply with the Single Resolution Board's minimum requirement for own funds and eligible liabilities (iMREL). AAHG was expected to comply with the phase-in requirements from 1 January 2022 and the requirements were fully phased in on 1 January 2024. The annual interest rate of the newly issued notes is 3.37%.

(x EUR 1,000)	Maturity	Interest rate	Opening balance	Issued	Redeemed	Closing balance
Series 1-47	30 June 2027	0.48%	4,700,000	0	0	4,700,000
Series 48-79	30 June 2028	3.74%	3,200,000	0	0	3,200,000
Series 80-106	30 June 2029	4.14%	2,700,000	0	0	2,700,000
Series 107-111	30 June 2030	3.37%	0	500,000	0	500,000
Total			10,600,000	500,000	0	11,100,000

The issued loans qualify as subordinated liabilities and have been subordinated to all other current and future liabilities.

16 Equity

This item can be broken down as follows:

	Paid-up and called-up capital	Other reserves	Total
(x EUR 1,000)			
At 1 January 2023	19	129,183	129,202
Profit for the year		625,630	625,630
(Interim) dividend		-672,917	-672,917
At 31 December 2023	19	81,896	81,914
Profit for the year		672,627	672,627
(Interim) dividend		-696,906	-696,906
At 31 December 2024	19	57,616	57,634

The other reserves concern a required minimum amount under the Dutch Financial Supervision Act (EUR 5 million). The application of prudential and liquidity requirements on an individual basis has been waived in accordance with Articles 7 and 8 of the Capital Requirements Regulation (Regulation (EU) No. 575/2013).

Proposed profit appropriation

The Managing Board has proposed to distribute a dividend of EUR 697 million. Retained earnings will be added to the other reserves.

17 Irrevocable commitments

Construction facilities are recognised together with mortgage offers as irrevocable commitments. The construction facilities amounted to EUR 2.0 billion at 31 December 2024 (31 December 2023: EUR 1.9 billion). Mortgage offers stood at EUR 3.2 billion at 31 December 2024 (31 December 2023: EUR 2.4 billion).

AAHG has outsourcing agreements together with service level agreements (SLAs) in place for outsourced mortgage operations and affiliated services provided by third parties. The agreement for the outsourced mortgage operations (Stater Nederland B.V.) was in effect until 22 May 2024. Since the new agreement was not ready by 22 May 2024, the existing one was automatically extended by one year. The new agreement was signed on 27 February 2025. This agreement will take effect retrospectively from 1 January 2025 for the duration of three + two years. AAHG has the right to terminate the agreement, either in whole or in part, at the end of the first three years. AAHG has also signed several intragroup agreements for outsourced services. These agreements are in effect for an indefinite period.

18 Off-balance sheet commitments and contingent liabilities

Claims and disputes

As a financial company, AAHG is inherently exposed to legal risks, particularly in the regulatory or statutory domain.

Single Resolution Fund contribution: Irrevocable Payment Commitment.

The annual Single Resolution Fund (SRF) contribution is a levy introduced by the European Union in 2016. The Single Resolution Board (SRB) allows institutions to use irrevocable payment commitments (IPCs) to pay part of their contribution. AAHG uses this option and accounts for the IPCs as a contingent liability, based on the assessment that until the IPCs are called by the SRB there is no present obligation to pay. Hence, IPCs have not been taken through profit and loss, but are already deducted from own funds for regulatory purposes. In February 2024, the SRB confirmed that the SRF reached its target level. As such, no annual contribution was collected in 2024. The cumulative amount of IPCs entered into is therefore still EUR 50.4 million. (included as an 'other asset'). The IPCs are secured by collateral to ensure full and punctual payment of the contribution when called by the SRB.

In October 2023, the European Court in Luxembourg rejected a request from a French bank to return the collateral for the IPC after the bank had withdrawn its banking license. In March 2025, the Advocate General issued its opinion to dismiss the appeal of the French bank. No adjustments to the accounting treatment described above have been made, as no final court decision has been reached.

Proceedings against the regulator on regulatory levies:

ABN AMRO and AAHG are still in discussion with the Single Resolution Board (SRB), about the calculation method applied for annual Single Resolution Fund (SRF) contributions paid in the past. At this time, the outcome of these discussions are still uncertain. The SRB calculates the SRF contribution based on the information provided annually by the credit institutions in the European Banking Union in scope of the SRF. The SRB is of the opinion that ABN AMRO and AAHG incorrectly reported variables to calculate the annual SRF contribution for the 2016 to 2022 period. ABN AMRO and AAHG disagree with the SRB point of view and as from 2016, has repeatedly and extensively communicated its position with regard to the adjusted amount to the SRB. The SRB has a different point of view on the interpretation of the regulation with regard to the annual SRF contribution in comparison to ABN AMRO and AAHG. On 11 May 2023, ABN AMRO received the final decision from the SRB regarding the ex-ante contributions to the SRF. In its final decision, SRB reiterated its arguments and did not agree with ABN AMRO and AAHG's position. The SRB has recalculated the contribution of AAHG over the years 2016 - 2022, resulting in the invoice for the year 2023 amounting to EUR 177 million. This amount consists of both

the contribution for the year 2023 (approximately EUR 57 million) and the amount AAHG is required to pay in additional contributions for the years 2016 - 2022 (approximately EUR 120 million, included as an 'other asset').

Upon DNB's and SRB's explicit request and in order to comply with Dutch legislation, which requires the SRF contribution for 2023 to be paid within six weeks after the notification of the final decision (under penalty of fines), AAHG paid, under protest, the SRF contribution for 2023 to the SRB on 22 June 2023.

AAHG and ABN AMRO challenged the SRB's final decision by filing a petition with the Court of Justice of the European Union on 14 July 2023. On 15 November 2023, SRB filed a 'preliminary objection' with the court in which the SRB asserted the inadmissibility of the appeal of AAHG and ABN AMRO. AAHG and ABN AMRO filed a response to this initial defence of SRB on 23 January 2024. The court decided that the assessment of the initial defence of SRB will be suspended until after the assessment of the proceedings on the merits. SRB filed a response to the petition of AAHG and ABN AMRO on 21 May 2024. AAHG and ABN AMRO filed a reply to this response on 16 August 2024. SRB filed a rejoinder on 14 October 2024. The court will now decide if and when a hearing will take place. The outcome of this challenge is uncertain because the SRF regulation is relatively new and there is little to no case law on the subject. AAHG nevertheless considers it more likely than not that any such challenge will be successful. Therefore, no provision has been recognised.

19 Remuneration of the Supervisory Board and the Managing Board

Two members of the Supervisory Board qualify as employees of ABN AMRO. They do not receive any remuneration for their roles as Supervisory Board members. The Chair and one member of the Supervisory Board have signed a supervisory services agreement and are remunerated for their roles. The total remuneration of the members of the Supervisory Board of AAHG was EUR 82,500 in 2024 (2023: EUR 82,500).

The total remuneration of the (former) members of the Managing Board was EUR 894,011 in 2024 (2023: EUR 613,340).

The loans AAHG had granted to the incumbent members of the Managing Board and the Supervisory Board, and the related interest rates, were as follows on 31 December 2024:

(x EUR 1,000)	2024	Weighted average interest rate (%)	2023	Weighted average interest rate (%)
Loans to members of Managing Board	1,525	1.5	1,330	1.4
Loans to members of Supervisory Board	1,491	1.9	1,653	2.2
Outstanding loans	3,016		2,983	

20 Net interest income

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Interest income on mortgage loans	3,663,420	3,392,925
Interest expense on funding	-2,528,132	-2,198,114
Portfolio-related net interest income	1,135,288	1,194,811
Other interest income	42,064	49,030
Other interest expense	-6,147	-3,252
Non-portfolio-related net interest income	35,917	45,777
Net interest income	1,171,205	1,240,588

If a customer falls behind on their mortgage loan (> 90 days), interest income is no longer recognised in portfolio-related net interest income.

21 Fee and commission income

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Service fees	8,518	11,560
Collection fee	27	29
Other fee and commission income	158	1
Fee and commission income	8,704	11,590

Fee and commission income mainly concerns portfolio management fees for services provided to third parties.

22 Other operating income

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Other operating income	1,400	953
Breakfunding fee income	2,201	92,521
Other operating income	3,601	93,474

Other operating income mainly concerns reimbursements.

AAHG sold portfolios of mortgages in 2023 and in 2024. As part of the transaction, AAHG received a break funding fee of EUR 92.5 million in 2023 and EUR 2.2 million in 2024. These are part of the same transactions in note 24 relating to the line item 'Loss on sale of mortgages'.

23 Personnel expenses and other general and administrative expenses

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Personnel expenses	98,655	81,507
Housing, office and IT expenses	22,823	27,775
Services provided by third parties	57,124	52,525
Selling and advertising expenses	3,151	3,586
Statutory levies	42,920	93,214
Other expenses	44,475	32,794
Personnel expenses and other general and administrative expenses	269,149	291,400

At 31 December 2024, 1,296 persons (FTEs) were directly involved in managing the mortgage portfolio (2023: 1,145 FTEs). Of these, 891 FTEs were employees of ABN AMRO (2023: 820); ABN AMRO recharges the costs associated with employing them to AAHG on a monthly basis. AAHG does not have any employees of its own. The other FTEs were external hires. Costs for external hires are included in the line item 'Services provided by third parties'. Personnel expenses increased mainly due to the new Collective Labour Agreement and higher number of FTEs.

'Housing, office and IT expenses' have decreased mainly as a result of around EUR 6.9 million in costs that were previously classified under 'Housing, office and IT expenses', which are now disclosed under 'other expenses'. This pertains to costs that are recharged from ABN AMRO to AAHG. The ABN AMRO division responsible for recharging these costs has undergone a reorganisation effective 1 January 2024. Consequently, these costs are now recharged by a different department, rather than IT.

Banks operating in the Netherlands are liable to Dutch banking tax. There are two Dutch banking tax rates: a rate of 0.058% for current liabilities and a rate of 0.029% for non-current liabilities. In addition, banks governed by the Single Resolution Mechanism Directive are expected to contribute to the resolution fund that is administrated by the Single Resolution Board (SRB) in Brussels, Belgium. The purpose of the resolution fund is to facilitate an effective resolution toolkit. The SRB determines a bank's contribution based on its total liabilities (less a number of deductible items).

Statutory levies include Dutch banking tax and contributions to the European Single Resolution Board (SRB) and have decreased mainly as a result of no 2024 contribution to the SRB (as the target level of the SRF has been reached).

Other expenses mainly comprise advisory fees and operating expenses.

24 Other operating expenses

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Outsourced mortgage operations and affiliated services	84,180	82,474
Other operating expenses	174	99
Unrealised fair value measurement - Derivatives	1,588	1,381
Loss on sale of mortgages	10,362	111,690
Other operating expenses	96,305	195,644

Outsourced mortgage operations and affiliated services are costs incurred for services provided by third parties.

Other operating expenses consist of such costs as annual subscription and membership fees.

In July 2022, ABN AMRO Verzekeringen B.V. paid AAHG an amount at fair value to redeem the residual risk related to the guaranteed amount of the savings-linked mortgages. This derivative liability is initially and subsequently measured at fair value.

Loss on sale of mortgages relates to the loss on the sale of a portfolio of mortgages in 2023 and 2024. These are part of the same transactions in note 22 relating to the line item 'Breakfunding fee income'.

25 Impairment charges on financial instruments

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Change in impairments	-65,797	49,770
Recovery and other charges	-9,979	-13,375
Impairment charges on financial instruments	-75,775	36,395

The release in loan loss allowances was mainly caused by IFRS 9 model refinements and a revision of the IFRS management overlay framework for mortgages. Improved risk parameters (e.g. improved housing prices) also led to additional releases.

The item 'Change in impairments' includes several items that are not included in the loan loss allowances addressed in note 5.

26 Income tax expense

This item can be broken down as follows:

(x EUR 1,000)	2024	2023
Income tax expense	250,125	193,805
Deferred income tax expense	-8,442	26,737
Income tax expense	241,682	220,542

Corporate income tax group

AAHG forms a corporate income tax group with ABN AMRO and several of ABN AMRO's Dutch subsidiaries. Each member bears joint and several liability for the income tax payable by the tax group. Given that ABN AMRO remits tax to the tax authorities, taxes are recognised through AAHG's intercompany account with ABN AMRO in the statement of financial position.

Corporate income tax is due at the highest rate of 25.8% (2023: 25.8%). The effective tax rate is 26.4% (2023: 26.0%). The annual banking tax is not tax deductible.

Deferred tax is recognised for qualifying temporary differences and is mainly attributable to the unrealised fair value on the equity release mortgages.

27 Events after the reporting date

On 29 January 2025, AAHG signed an agreement with ABN AMRO. At any time upon the request of ABN AMRO, and subject to this agreement, AAHG would need to transfer funds to enable ABN AMRO to meet its obligations as they become due and payable. The amount payable will be calculated at the date of such a request, and is equal to the lower of EUR 1.5 billion and AAHG's 'readily accessible funds'.

AAHG's 'readily accessible funds' are defined in this agreement. The amount of 'readily accessible funds' will vary and will depend on the current balance of items in the definition. It is not expected that the outcome of the calculation of AAHG's 'readily accessible funds' will be positive in the foreseeable future.

Risk management

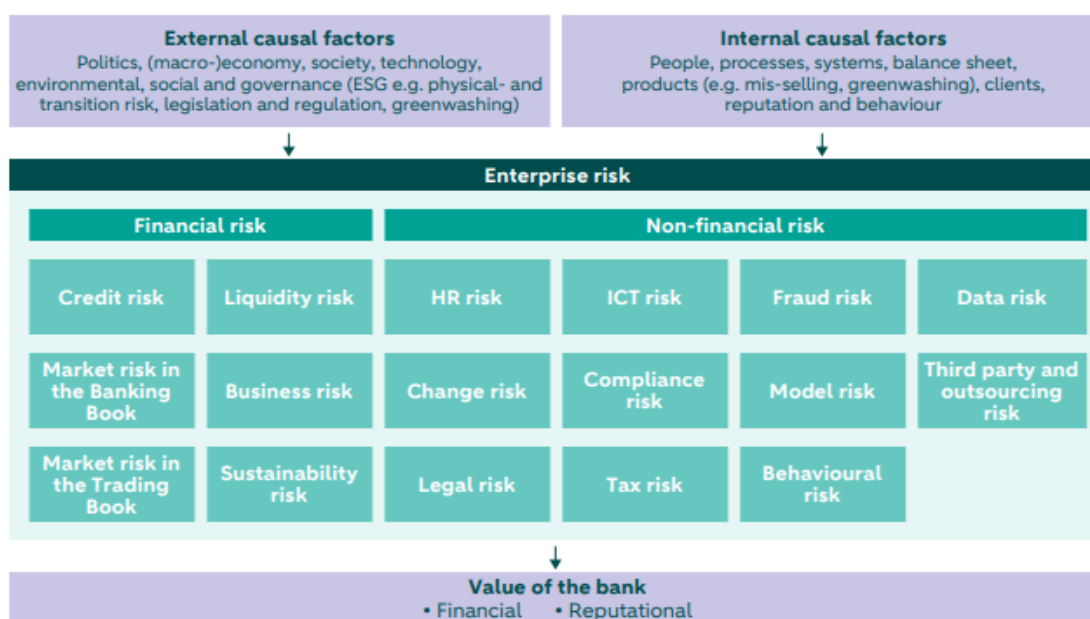
Risk management framework

In line with ABN AMRO's group strategy, AAHG actively seeks to maintain a strict risk focus for its residential mortgage portfolio.

The following are key elements that help to keep a strict risk focus:

- risk taxonomy
- risk appetite framework
- risk governance
- risk measurement.

AAHG adheres to the ABN AMRO **Risk Taxonomy**, which classifies risks into risk types that might occur. The taxonomy ensures that all identified material risks are defined and are taken into account in the risk governance framework. It creates a common risk vocabulary, provides a checklist of risk types that are used in risk assessments, and helps to ensure that all material risks are managed, and that roles and responsibilities are identified and defined. The visual below summarises these risks. The risk taxonomy is reviewed and updated on an annual basis, or sooner if any new material risk type emerges and requires an update.

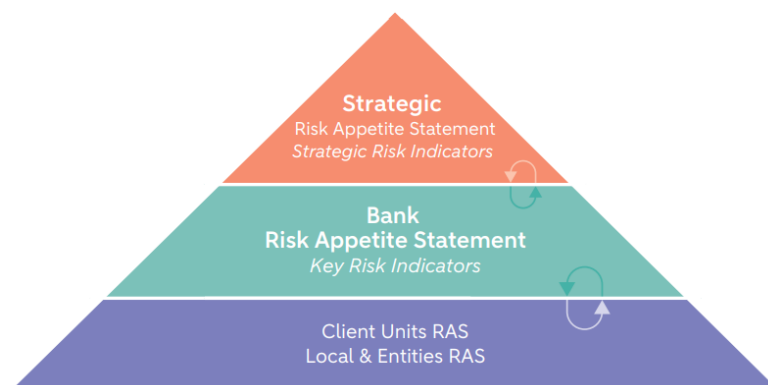


The principal financial risks AAHG incurs are:

- credit risk;
- market risk banking book (specifically interest rate risk);
- liquidity risk;
- business risk;
- sustainability risk.

As illustrated, Non-Financial Risks are also relevant to AAHG.

Risk appetite refers to the risk level that AAHG is willing to assume in pursuing its strategy. It is regularly evaluated and updated, to ensure alignment with the strategy; our goal is to maintain a strict risk focus. AAHG's risk appetite statement qualifies as an entity risk appetite statement (ERAS) and is part of ABN AMRO's risk appetite framework.



The strategic risk appetite statement is substantiated by concrete strategic risk indicators (SRIs). SRIs are further articulated in the bank-wide risk appetite statement (BRAS) and key risk indicators (KRIs), which are cascaded into an underlying risk indicator framework at client unit-level RAS, local level (LRAS) and entity level (ERAS). This risk indicator framework consists of statements set for each main and sub-risk type presented in the risk taxonomy. For every key risk indicator (KRI), a limit is set against which the actual risk profile is monitored through the quarterly financial and non-financial risk reports. If the limit of a KRI is breached, action is required to bring the risk profile back within the limit. To allow for timely action, early warning tools are in place to prevent breaches and/or to engage in a strategic discussion.

Examples of KRIs in AAHG's risk appetite include:

- return on (allocated) equity;
- bad-rate new loans;
- portfolio size and specific segments in our portfolio to manage concentration risk;
- cost/income ratio;
- operational (non-financial) risk parameters (effectiveness of internal control environment).

AAHG addresses risks at various levels; in accordance with the Risk Governance Charter AAHG and the applicable monthly risk committees with involvement of senior management; AAHG's Managing Board and Supervisory Board are provided with and discusses the risk reports on a quarterly basis. As soon as a risk indicator exceeds a checkpoint or limit, actions are defined and approved in accordance with the relevant policy and breach management process. AAHG has an Audit & Risk Committee, which is a sub-committee of the Supervisory Board.

Risk governance

The **Risk Governance Charter** defines ABN AMRO's risk governance and decision framework (delegated authorities and mandates). The Risk Governance Charter is in place to support efficient and effective risk control management throughout, and at all levels of, the bank, including the subsidiaries of ABN AMRO.

AAHG, as a subsidiary of ABN AMRO, operates within the framework described in the Risk Governance Charter and the Entities Risk Charter. The Entities Risk Charter defines the risk governance, risk organisational structure, reporting lines, entities' committee structures, responsibilities and composition of the committees, delegation of mandates, escalation requirements and the key roles and responsibilities of the risk function. The Charter aims to sustain effective decision-making on risk identification, risk-taking, risk monitoring, risk management and risk mitigation in the entities. Within the boundaries of the Risk Governance Charter and the Entities Risk Charter, AAHG has formulated its own entity-specific Risk Governance Charter, including the Entity Enterprise Risk Committee, the Risk Reporting & Monitoring Committee, the Mortgages Credit Committee and the Client Acceptance and Review Committee. Risk decisions are taken in the relevant risk committees within the mandates of this Charter.

As a wholly owned subsidiary of ABN AMRO, AAHG comes under ABN AMRO's governance structure, including its three-lines-of-defence (3LoD) model. The **three-lines-of-defence** principle entails a clear division of risk management activities and responsibilities at different levels within ABN AMRO and at different stages in the lifecycle of risk exposures. AAHG aims to create a risk culture that addresses risk awareness and risk-taking behaviour by way of communication and training. Employees are expected to be familiar with the drivers of AAHG's risk profile and to assess and take ownership of the risks they take through their actions, decisions and behaviours.

The three-lines-of-defence model aims to clarify the interrelations between risk-takers and the different internal control functions, and to provide clarity for all employees at AAHG with regard to their risk management responsibilities. AAHG's first line of defence (LoD) is responsible for risk ownership and for the design and execution of effective and efficient controls. AAHG conforms to the risk governance as described in the Entities Risk Charter and has a local second line risk management team under the responsibility of the AAHG chief risk officer.

The AAHG chief risk officer has a hierarchical reporting line to risk management within ABN AMRO. To enhance control consistency in bank-wide strategy, policies, procedures and execution, the bank maintains the concept of dual hierarchical lines for its Risk function within the entities. The other hierarchical line rests within the business. The AAHG Risk Charter sets out the roles and responsibilities of key players involved in AAHG's risk management (first and second-LoD staff), including their reporting lines. The following figure explains the three-lines-of-defence principle as implemented by AAHG (and aligned with ABN AMRO).

1 1st Line of Defence	2 2nd Line of Defence	3 3rd Line of Defence
← Risk Ownership	Risk Control & Oversight	Risk Assurance →
Responsible for <ul style="list-style-type: none"> Delivers value-added services to our clients Takes primary ownership to identify and assess, measure, mitigate, monitor and report the risk that it incurs Proposes the business line risk appetite and operates within it Strikes the right balance between return and risk in its decisions Seeks outside-in views and advice, where necessary Ensure systems, processes and reporting capabilities are commensurate to its activities and risk appetite 	Responsible for <ul style="list-style-type: none"> Sets the bank-wide risk management framework Sets risk policies and ensures regulations are translated into policies Maintains risk control and oversight through monitoring, reporting and escalating, where necessary Provides independent challenge and expertise to the First Line Proactively opines on how to identify and mitigate risks Provides outside-in views and ensures consistency in risk management practices across First Line 	Responsible for <ul style="list-style-type: none"> Protects and enhances organisational value by providing risk-based and objective assurance, insight and added value to support the achievement of our objectives Evaluates the design and effectiveness of Governance, Risk Management & Control processes, agrees with management on remediation and monitors follow-up

Risk measurement

AAHG uses risk models and systems developed by ABN AMRO, for instance to determine provisions and risk-weighted assets (RWAs). Intragroup agreements are in place between ABN AMRO in its capacity as the supplier and AAHG in its capacity as the customer to ensure that AAHG can rely on the services provided by ABN AMRO.

ABN AMRO develops and uses internal models to quantify the risk for most risk types in the risk taxonomy. The models for credit, operational, market and liquidity risk are most widely used and allow for measuring the level of risk. They support day-to-day decision-making as well as periodic monitoring and reporting on developments in the bank's portfolios and activities. In most cases, models quantify the probability and severity of an event, i.e. the likelihood that an event will occur and the loss the bank may suffer as a consequence of that event. These model outcomes serve as the basis for ABN AMRO's internal risk controls and form key input for the calculation of the minimum regulatory capital requirements of the Basel framework (regulatory capital). The Q4 2024 Basel IV capital requirements are below the Basel III capital requirements. The credit risk RWA models are monitored on a quarterly basis by the Monitoring Framework which is presented in the Risk Reporting Monitoring Committee (RRMC). Furthermore, the credit risk RWA models are redeveloped in line with the model lifecycle of ABN AMRO.

New models require approval before they can be implemented and applied. Within ABN AMRO, the use (or continued use) of a model is subject to the approval of the Methodology Acceptance Group (MAG), a sub-committee of the Group Risk Committee, which involves a validation by independent model validators. Subsequently, if required, external approval is sought from the regulator. The current credit risk models that were implemented in November 2021 have been validated by the ECB. The credit risk models related to mortgage business are currently in the process of being reviewed by the regulator. We are also continuing to review our credit risk model and data landscape, which may lead to further model updates, changes to impairments and overlays, as well as movements in capital under both Basel III and Basel IV.

The modelling departments of ABN AMRO develop models in close cooperation with AAHG business and risk experts. The models are reviewed annually. This means that models are backtested against historical and the most recent data and, where relevant, benchmarked against external studies.

The model risk management department within ABN AMRO independently validates internal models. The model risk management framework, which includes model validation standards and procedures, ensures that models are validated in a consistent and independent manner. Model data, methodology, performance and implementation are checked against these standards and reviewed on the basis of internal and regulatory requirements.

The credit risk models for calculating PD, LGD and EAD were developed in line with the EBA Guidelines and Regulatory Technical Standards.

AAHG uses stress testing and scenario analysis as key risk management instruments. In doing so, it reviews profitability and capital for its mortgage portfolio in various scenarios on an annual basis. In general, the results are presented together with mitigating actions in the event of severe stress. Moreover, climate-related risks are incorporated into our business line stress test by including specific events related to physical risks and drivers of transition risk.

Financial risk

The principal financial risks AAHG incurs are:

- credit risk;
- market risk banking book (specifically interest rate risk);
- liquidity risk;
- business risk;
- sustainability risk.

Credit risk

AAHG's credit risk showed a stable development over the past year. House prices on the Dutch housing market continued to increase in 2024. Prices of existing owner-occupied homes peaked in July 2022. Then the trend reversed, and the price index fell for some time. However, since June 2023, the trend has been increasing again. According to the Dutch Land Registry Office (Kadaster), the house price index increased by 10.9% in December 2024 compared to December 2023. It should be noted that the indexation of the AAHG mortgage portfolio collateral is updated with a delay of one quarter. House prices continued to increase mainly due to the limited supply of homes for sale and wage increases.

The total number of house sales in 2024 increased as well. In 2024 206,000 homes were sold versus 182,000 in 2023, according to the Dutch Land Registry Office, which is an increase of 13.2%. Credit quality indicators were not impacted and remained positive.

The mortgage portfolio increased by EUR 5.4 billion. The share of redeeming mortgages increased to 51% of the mortgage portfolio at 31 December 2024 (31 December 2023: 47%).

Breakdown of mortgage loans by type of loan

(x EUR 1,000)	2024	%	2023	%
Interest-only	59,535,516	39	60,928,689	41
Redeeming mortgages (annuity / linear)	77,277,286	51	69,405,660	47
Savings	7,906,405	5	8,458,818	6
Life (investment)	4,602,303	3	5,073,982	3
Other	3,190,491	2	3,223,708	2
At 31 December	152,512,001	100	147,090,857	100

The total of EUR 152.5 billion is the gross carrying amount, excluding loan loss allowances

The government-guaranteed (NHG) share of total outstanding residential mortgage portfolio increased slightly to 20% at 31 December 2024. The share of NHG origination increased to 29% (2023: 22%) as a result of an increase in the Nationale Hypotheek Garantie (NHG) market, also driven by the annual increase of the NHG limit.

Mortgages to indexed market value (LtMV)

(x EUR 1,000)	2024	%	2023	%
Government-guaranteed mortgages (NHG)	30,541,279	20	28,073,716	19
< 50%	55,871,212	36	45,899,627	31
50% - 80%	49,211,332	32	50,718,890	34
80% - 90%	8,536,808	6	9,689,255	7
90% - 100%	6,269,475	5	7,231,246	5
> 100%	2,081,895	1	5,478,123	4
At 31 December	152,512,001	100	147,090,857	100

The total of EUR 152.5 billion is the gross carrying amount, excluding loan loss allowances

AAHG's credit risk on NHG mortgages is low because of the government guarantee. As a mortgage lender, AAHG incurs an own risk of 10% under the Dutch government-guaranteed mortgage loan scheme granted with effect from 1 January 2014. Government guarantees expire in equal instalments.

Increasing house prices led to an improvement in the average loan to market value (LtMV) in 2024. AAHG uses the Calcasa automated valuation model to determine the current market value. This model produces representative values because it relies on recent transaction prices of comparable collateral. The current market value of collateral for which no Calcasa market value is available is determined by applying indexation based on house price indices published by Statistics Netherlands to the market value as specified in the valuation report.

The gross carrying amount of mortgages with an LtMV of above 100% decreased to EUR 2.1 billion (31 December 2023: EUR 5.5 billion). This decrease is mainly attributable to increasing house prices. Only a small part of the mortgages show a LtMV in excess of 100%, which does not necessarily mean that the customers in question are in financial difficulties (e.g. lending for energy saving measures). In case of redeeming mortgages, the LtMV will usually show a decreasing pattern following contractual monthly redemptions. AAHG proactively approaches customers with interest-only mortgages in combination with a high LtMV. AAHG informs them of the risks associated with their interest-only mortgage and discusses actions customers might want to take to keep their mortgage affordable, for instance after they retire, at loan maturity or if the interest tax deductibility ends. The development of the average LtMV in the portfolio is affected by both housing price developments and a shift in the portfolio to more amortising loans.

Mortgage indicators

(x EUR 1,000)	2024	2023
Gross carrying amount	152,512,001	147,090,857
- of which guaranteed mortgages (NHG)	30,541,279	28,073,716

Credit quality indicators

Past due ratio	0.8%	0.8%
Stage 3 Impaired ratio	1.2%	0.9%
Stage 3 Coverage ratio	2.9%	9.7%

Mortgage indicators

Average LtMV (indexed)	54%	58%
Average LtMV - excluding NHG loans (indexed)	54%	58%
Total risk mitigation/gross carrying amount	210%	181%

Cost of risk (year to date, in bps)	-5	2
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The stage 3 coverage ratio decreased sharply, mainly as a result of the implementation of methodology changes for mortgages to better reflect the presentation of credit risk characteristics and the implementation of a new IFRS 9 expected credit loss (ECL) model in Q3 2024. The stage 3 impaired ratio increased in 2024, for the same reason.

AAHG's credit risk is managed based on ABN AMRO's programme-lending methodology and a policy framework consisting of a bank-wide credit risk policy and a detailed credit risk policy for mortgage loans. These risk policies cover all phases of the credit cycle, from product planning to origination to customer management, prevention and early and late arrears. Management is responsible for managing and monitoring credit risk (first line of defence). The business identifies, assesses, monitors and reports potential and actual credit risk losses within the defined credit risk framework. Credit risk is monitored on an ongoing basis to ensure that credit risk developments remain within the set limits of the risk appetite. Customers with payment arrears are transferred to our debt collection partners, who help to identify the root cause of a payment problem and, if possible, resolve these problems.

Uncollateralised portions of mortgage loans

(x EUR 1,000)	2024	2023
Loans and advances customers	152,384,817	146,896,491
Collateral value	317,089,184	263,422,169
Collateral bank savings	2,684,142	2,547,054
Other guarantees (e.g. NHG)	369,225	604,136
Surplus value of collateral	-171,363,104	-124,969,615
At 31 December	3,605,370	5,292,747

The uncollateralised portion of loans in the mortgage portfolio decreased as a result of fewer loans having a LtMV in excess of 100%. This was mainly attributable to increasing house prices in 2024.

Uncollateralised portions of credit-impaired mortgage loans (>90 days and covered by an impairment)

(x EUR 1,000)	2024	2023
Credit-impaired portfolio	1,872,271	1,264,929
Collateral value	3,255,906	1,973,098
Collateral bank savings	13,151	11,053
Other guarantees (e.g. NHG)	1,314	2,265
Surplus value of collateral	-1,453,566	-846,432
At 31 December	55,466	124,944

The uncollateralised portions of the credit-impaired portfolio decreased as a result of fewer loans having an LtMV in excess of 100%. This was mainly attributable to increasing house prices in 2024.

Breakdown of past due mortgage loans (<90 days)

A mortgage loan is past due if a customer fails to make a payment on the contractual due date or if the counterparty has exceeded an agreed limit. AAHG measures days past due regardless of the amount.

(x EUR 1,000)	2024	2023
Mortgages	152,512,001	147,090,857
<u>Breakdown by days past due:</u>		
≤ 30	1,701,307	1,715,932
> 30 & ≤ 60	56,699	2,796
> 60 & ≤ 90	12,965	17,597
At 31 December	1,770,971	1,736,325

The amount of EUR 152.5 billion is the gross carrying amount, excluding loan loss allowances

This breakdown shows that past due mortgages increased in 2024.

Forbearance, past due credit exposures and loan loss allowances

Mortgage loans at risk primarily consist of exposures for which there are signs indicating that the customer may become credit impaired in the future. Loans at risk are classified into different risk categories for individual customers and into days-in-arrears buckets for groups of aggregated customers in order to optimise monitoring and review of these loans.

Forbearance

Forbearance is the process of making concessions to customers who are or will soon be experiencing financial difficulties, with the intention of bringing them back within their payment capacity. A forbore asset is any contract that has been entered into with a customer who is in, or is about to face, financial difficulties and that has been refinanced or modified on terms and conditions that would not have been accepted if the customer had been in good financial health.

Forbearance measures can be applied to mortgages on which the customer has already defaulted, as well as to contracts that are still performing.

A mortgage will cease to qualify as forbore only if all of the following conditions are met:

- The mortgage is considered performing;
- A minimum probation period of two years has passed since the last forbearance measure and/or the date the forbore contract was considered performing (whichever is later);

- Regular and timely payments of more than an insignificant amount of the principal or interest have been made during at least half of the probation period;
- The customer does not have any contract, within the credit agreement, that is more than 30 days past due at the end of the probation period.

If the forbore contract is or has become non-performing at the time of the forbearance measure, a mandatory cure period of at least one year applies to the contract before it is returned to performing status. The cure period starts when the contract becomes non-performing or, if the contract was already non-performing, when the last forbearance measure was taken.



Forborne assets remained relatively stable over the course of 2024. However, a shift is visible from forbore assets not past due and not stage 3 to impaired forbore assets. Total forbore assets amounted to EUR 1.0 billion at 31 December 2024.

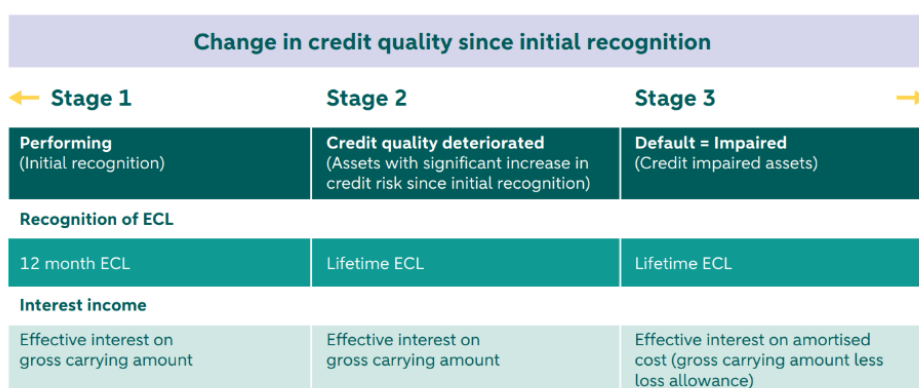
(x EUR 1,000)	2024	2023
Total forbore assets	1,008,352	1,025,237
Forborne assets not past due and not stage 3	593,155	622,546
Forborne assets past due but not stage 3	5,175	7,503
Impaired forbore assets	410,022	395,188
Allowance (collective)	22,916	46,013

Past due credit exposures

A mortgage loan is past due if a customer fails to make a payment on the contractual due date or if the customer has exceeded an agreed limit. AAHG uses instalments past due as a proxy for days past due.

Accounting policy for measuring allowances for expected credit losses (ECL)

The IFRS 9 impairment requirements are applicable to mortgage loans measured at amortised cost, loan commitments and financial guarantee contracts. At each reporting date, mortgage loans are classified into one of three stages, depending on the current credit quality.



Classification in stage 2

AAHG uses quantitative and qualitative stage triggers to determine whether a mortgage should be classified as stage 1 or stage 2.

Quantitative stage triggers

The quantitative metric that determines when a financial instrument is transferred from stage 1 to stage 2 is the deterioration in the lifetime probability of default (LPD) from the date of origination to the reporting date, based on internal data. The LPD represents the likelihood that a counterparty will default during the lifetime of the financial instrument and depends on credit risk drivers such as:

- product characteristics (e.g. repayment and interest terms, or term of the product);
- the financial condition of the borrower;
- the number of days past due;
- expected developments in the economy.

The LPD deterioration (LPDD) measures the relative difference between the remaining LPD at reporting (LPDR) and the remaining LPD at origination (LPDO) as $LPDD = LPDR/LPDO$. If the LPDD of an exposure is above a predefined threshold, the LPD is considered to be significantly deteriorated. The exposure is then transferred to stage 2 and impairment allowances equal to the lifetime expected credit loss are recognised. If the LPDD subsequently reduces and falls below the threshold, the customer is transferred back to stage 1. The threshold for mortgages lies between 1.5x and 2.1x.

Qualitative stage triggers

The bank transfers a mortgage loan from stage 1 to stage 2 if it meets any of the following qualitative triggers:

- forbore status of a borrower;
- watch status of a borrower. AAHG assigns watch status to customers with an increased credit risk. This process allows for intensive monitoring, early detection of deterioration in the credit portfolio and appropriate follow-up measures;
- more than 30 days past due, based on the number of instalments past due.

Reclassification to stage 1

As a general rule, favourable changes in credit risk are recognised consistently with unfavourable changes, and a mortgage is transferred back to stage 1 when quantitative or qualitative triggers are no longer met. In some cases, a probation period applies:

- Forborne mortgages are transferred back from stage 2 to stage 1 only after a probation period of at least two years has ended, in line with the ABN AMRO policy. Stage 3 forborne mortgages transfer back to stage 2 after a cure period of at least one year;
- For mortgages that are 30 days past due, a three-month probation period is applied for transfers from stage 2 to stage 1.

Classification in stage 3

Default will always result in a transfer to stage 3. The definition of default was developed in line with the EBA Guidelines. All models use a consistent definition of default. A default is deemed to have occurred when:

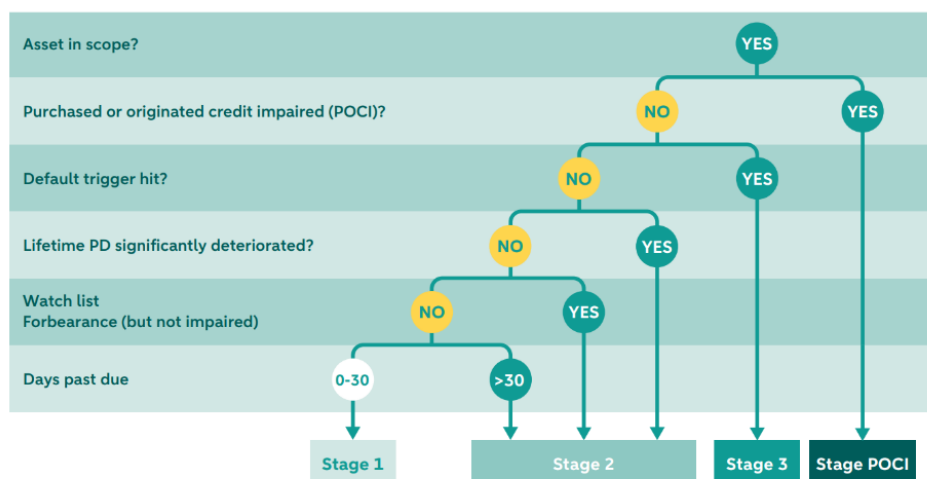
- the counterparty is past threshold by more than 90 days with regards to any material financial credit obligation to the bank; or
- the bank considers the borrower to be unlikely to meet its contractual obligations (unlikely to pay or UTP).

The materiality of a past-due financial obligation is assessed against an absolute and a relative threshold. To determine unlikelihood to pay, AAHG has specified both mandatory default triggers and judgemental triggers. All implemented default triggers are identified in an automated manner.

Reclassification to stage 2 or 1

The default classification for non-forborne exposures ends when the default triggers no longer apply and a (probation) cure period of at least three months has passed since the default trigger was last applied. For default forborne exposures, a 12-month cure period starts from the moment the last forbearance measure or default trigger was applied. If there are no remaining past-due amounts after the cure period, the default classification will end.

The staging model can be represented as follows:



AAHG does not apply stage POCI (purchased or originated credit impaired).

Classification of interest-only mortgages

AAHG's proactive approach of customers with an interest-only mortgage includes an affordability assessment to determine whether a customer can refinance their mortgage at maturity. Based on the results of the affordability tests, a suitable solution for the customer will be investigated and an improved risk classification will be determined (e.g. it might be needed to transfer customers with a significant increase in credit risk to stage 2 or stage 3).

Calculation method

ABN AMRO recognises loss allowances based on the expected credit losses (ECL) of IFRS 9, which is designed to be forward-looking. The amount of ECL is based on the probability-weighted present value of all expected cash shortfalls over the remaining life of the mortgage loan for exposures both presented and not presented in the statement of financial position. AAHG uses ABN AMRO models to calculate credit loss allowances on a collective basis. Collective 12-month ECL (stage 1) and lifetime ECL (stage 2 and 3) for mortgage loans that have similar credit risk characteristics are clustered into segments and collectively assessed for impairment losses (see the section headed 'Quantitative stage triggers'). A collective impairment calculation approach based on individual parameters is applied. ABN AMRO has models to quantify the Probability of Loss (PL), Loss Given Loss (LGL) and Exposure at Loss (EAL) for the purposes of calculating the collective 12-month ECL and Lifetime ECL for these mortgage loans.

Lifetime expected credit losses

AAHG defines the lifetime as the maximum contractual period for which the bank is exposed to credit risk. This will not stretch beyond the maximum contractual period, even if a longer period is consistent with business practices.

Forward-looking information

For the ECL calculation, ABN AMRO uses three different scenarios of future economic developments: a baseline (or most likely) scenario, a negative scenario and a positive scenario.

The three scenarios are incorporated into the IFRS 9 ECL calculation and the risk stage determination in a probability-weighted manner (31 December 2024: baseline 55%, positive 15%, negative 30%).

In order to incorporate the latest economic outlook, the scenarios and their weights are reviewed each quarter and adjusted if necessary. Macroeconomic variables (e.g. GDP, unemployment rate, 10-year government bond yield, house price index) forecast by ABN AMRO Group Economics are used for the ECL calculation and are chosen for each specific segment based on statistical relevance, such as credit risk drivers and expert judgement of the business. ABN AMRO has aligned its forward-looking scenarios with those used in the budgeting process.

Specific forecasts of macroeconomic variables are made for two to three years; subsequent periods are gradually moved to their potential or equilibrium values.

Management overlays and other adjustments

Where necessary to reflect the credit risk dynamics not captured by our models, management judgement is applied via a management overlay or other IFRS 9 adjustment. A management overlay is a temporary adjustment in a loss allowance until a long-term solution (e.g. model adjustment) is effective, and must be an amount commensurate to the model limitation. All overlays require a decision of the Impairment and Provision Committee (IPC). AAHG currently has management overlays of EUR 84 million in place for interest-only mortgages and anticipated changes to risk classification incorporated in a new mortgages model.

Climate and environmental risks in ECL

Incorporating climate risk explicitly into ECL models is challenging due to the lack of historical data and the horizon on which climate and environmental risks (CER) are expected to materialise. Although the impact of CER on ECL can only be estimated with a high degree of uncertainty regarding amounts of losses and the time horizon on which it will materialize, it is partially embedded into our ECL estimates through our macroeconomic forecasts. CER scenarios are included in Group Economics' baseline, positive and negative macroeconomic scenarios. CER are playing an increasing role in government policies and macroeconomic developments. To capture CER in ECL and related scenario processes, each macroeconomic scenario is accompanied by an overview that illustrates which of these risks are included in the various projected macroeconomic indicators. We are taking steps to gain deeper insight into how CER affects our customers, and to eventually embed them into our IFRS 9 ECL models.

Management overlays on ECL can be put in place for short-term identifiable events that are not (yet) included in the macroeconomic forecasts.

Impairments

(x EUR 1,000)	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	135,019,937	15,619,793	1,872,271	152,512,001
Allowances for credit losses	33,921	39,750	53,512	127,183
Coverage ratio	0.0%	0.3%	2.9%	
Stage ratio	88.5%	10.2%	1.2%	

Of the total exposure, 11.4% is classified as stage 2 or stage 3. Stage 2 and stage 3 exposure increased as a result of the implementation of methodology changes to better reflect the presentation of credit risk characteristics related to interest-only mortgages and the anticipated impact of a new mortgages model. For interest-only mortgages, this resulted in an increase from stage 1 to stage 2, and for anticipated impact of a new mortgages model to stage 3. These methodology changes do not reflect an increase in our risk profile as the changes did not lead to an increase in provisions. The total loan loss allowances amounted to EUR 127.2 million. Coverage ratios decreased in 2024 as a result of decreased provisions due to the implementation of a new IFRS 9 ECL model in Q3 2024 and implementation of methodology changes to better reflect the presentation of credit risk characteristics. Furthermore, the coverage ratios decreased due to the increased house prices.

Credit quality by internal rating scale mapped to stages

The probability of default (PD) shows the likelihood that a customer will default within a one-year time horizon. Mortgage products with the same characteristics are pooled and a PD is assigned to each pool and expressed as an internal uniform counterparty rating (UCR).

(x EUR 1,000)	PD scale	UCR range	Stage 1	Stage 2	Stage 3	Total
Investment grade	0.0000% - < 0.0346%	1				
	0.0346% - < 0.1265%	2	51,199,571	768,432		51,968,004
	0.1265% - < 0.4648%	3	63,902,822	4,814,418		68,717,239
Sub-investment grade	0.4648% - < 2.2249%	4	19,485,468	5,065,785		24,551,253
	2.2249% - < 19.9706%	5	413,786	4,332,305		4,746,091
	19.9706% - < 100%	6+	18,290	638,853		657,142
Default	100%	6 - 8			1,872,271	1,872,271
Total			135,019,937	15,619,793	1,872,271	152,512,001

Maximum credit risk

The maximum exposure to credit risk was EUR 159.2 billion (2023: EUR 153.4 billion), consisting of EUR 152.4 billion in mortgage loans (2023: EUR 146.9 billion), EUR 1.5 billion in other assets (2023: EUR 2.1 billion) and EUR 5.3 billion in irrevocable commitments (2023: EUR 4.4 billion).

Market risk

Market risk is the risk of a decline in the market value of the mortgage portfolio or the earnings of AAHG as a result of unfavourable market developments. The market risk of the mortgage portfolio consists predominantly of interest rate risk.

The main sources of interest rate risk related to the mortgage portfolio are the maturity mismatch between the mortgages (assets) and their funding (liabilities), including those resulting from differences in actual versus predicted customer behaviour.

AAHG has a funding agreement with ABN AMRO to finance the mortgage loans issued. AAHG pays ABN AMRO a funds transfer price (FTP) for financing the mortgage loans. The FTP is considered an at-arm's-length-funding price that makes allowance for interest rate risk and liquidity risk stemming from the mortgage contracts. For this

reason, as part of this agreement, market-risk-type interest rate risk related to such aspects as customer behaviour is hedged by AAHG under the agreement with ABN AMRO.

The interest maturities of the mortgage portfolio, including the related weighted average interest rates, can be broken down as follows:

(x EUR 1,000)	2024	%	2023	%
Short-term (less than 3 months)	4,320,356	4.5	5,023,728	5.1
Long-term (between 3 months and 1 year)	4,575,739	3.0	2,917,063	3.2
Long-term (between 1 and 5 years)	41,071,150	2.6	35,095,918	2.6
Long-term (more than 5 years)	102,544,756	2.4	104,054,147	2.3
At 31 December	152,512,001		147,090,857	

The interest rate paid on the funding is in line with market rates.

Another key aspect of interest rate risk is the difference between actual and predicted customer behavior, mainly with respect to prepayments. ABN AMRO has developed a behavioral model to predict prepayments and penalties specifically for the risk of prepayments. Product conditions also contribute to managing the prepayment risk, e.g. by limiting annual penalty-free prepayments. Prepayment penalties are transferred to ABN AMRO Asset and Liability Management and Treasury (ALM/T) within ABN AMRO and are part of the FTP framework described above.

Fair value

(x EUR 1,000)	2024 Carrying amount	2024 Fair value	2023 Carrying amount	2023 Fair value
<u>Financial assets</u>				
Cash	336,058	336,058	905,538	905,538
Loans and receivables - banks	875	875	4,056	4,056
Loans and receivables - customers	152,384,817	145,880,243	146,896,491	135,341,214
Other assets	1,202,558	1,202,558	1,177,528	1,177,528
Prepayments and accrued income	1,345	1,345	793	793
<u>Financial liabilities</u>				
Due to banks	138,845,172	138,845,172	134,600,585	134,902,204
Due to customers	2,774,342	2,711,075	2,642,090	2,450,281
Other liabilities	859,687	859,687	815,671	815,671
Derivative liabilities	7,026	7,026	6,918	6,918
Accruals and deferred income	299,758	299,758	259,946	259,946
Subordinated notes	11,100,000	11,134,619	10,600,000	10,441,233

The fair value of current financial assets and liabilities is considered to be virtually the same as their carrying amount. The difference is of minor significance.

The fair value of non-current financial assets and liabilities is based on estimates. The estimates are based on certain assumptions regarding the term to maturity, the timing of future cash flows and the discount rate.

The fair value of the mortgage portfolio (recognised within 'Loans and advances - customers') has been determined by calculating the discounted cash flows, which were estimated based on the average of all mortgage loan interest rates, by maturity and by risk category on 31 December 2024, using online public information.

Liquidity risk

Liquidity risk is the risk that actual and potential payments or collateral posting obligations cannot be met on a timely basis, or only at excessive costs. There are two types of liquidity risk: funding liquidity risk and market liquidity risk. Similar to interest rate risk, both types of liquidity risk are centrally managed by the ALM and Treasury department (ALM/T) of ABN AMRO. AAHG uses the FTP to transfer liquidity risk to ABN AMRO, enabling central monitoring and management.

The remaining contractual terms to maturity of the mortgage loans are included in the table in note 5.

AAHG has signed a loan agreement with ABN AMRO for EUR 141.8 billion. This limit can be increased by means of an amendment to the loan agreement if required. ABN AMRO has issued a statement of joint and several liability for AAHG, which means that ABN AMRO guarantees all of AAHG's obligations. ABN AMRO cannot cancel the loan agreement unless for valid reason.

Business risk

Business risk is the risk that business earnings and the value of the business will decline and/or deviate from expectations because of uncertainty in business income or in the expenses that need to be incurred to generate business income. In 2024, the mortgage market showed a strong recovery compared to 2023, driven by higher wages, lower interest rates and a continued high demand for housing. Steepening of the interest rate curve in the first half of 2024 has led to an increased share of shorter duration mortgages. The NHG segment remained relatively large, which put pressure on new production margins as this is a fairly standardized market segment with fierce competition. In the overall market, the number of mortgage providers remains high, leading to strong competition and margin pressure. Large Dutch banks also face additional regulatory requirements, amongst others, related to the management of interest-only mortgages. All these developments put pressure on commercial and financial objectives, with a material risk that both volume and margin targets will not be achieved.

Sustainability risk

AAHG has been performing climate scenario analyses (CSA) of its residential real estate (RRE) mortgage portfolio since 2019. As the ECB issued the Guide on climate-related and environmental risks in 2020, a bank-wide implementation plan was developed to comply with regulatory expectations for climate risk management. This plan included the implementation of a process for climate scenario analysis consistent with the banks' stress test and scenario framework and repetition and improvement of climate scenario analyses of four priority portfolios including RRE (i.e. the AAHG mortgage portfolio).

ABN AMRO's climate risk methodology is continuously improving as new external data and insights relating to climate risk become available. AAHG has developed and is monitoring climate-related KRIs (e.g. properties with a potential high climate risk since the first quarter of 2022). The second time this monitoring was performed, additional physical risks (e.g. wildfires, heat stress) and transition risk were added to the analysis. In 2023, the third iteration of the climate risk analysis was performed. In this iteration, the analysis was improved by using improved methodologies for all physical risks and by using updated data of a higher data quality for foundation risks. More insights in environmental risks (e.g. oxygen stress, drought sensitivity nature) and potential property related adaptation and mitigations were found as well in this third iteration. As this third iteration of the climate risk analysis was considered as an appropriate method, this third iteration method was being used over the period of 2024. However, the climate data and portfolio data was updated regularly over this period in order to keep the analysis as accurate and up-to-date as possible. The up-to-date results of this climate scenario analysis will bring more expertise and knowledge for the bank's strategic decision making.

Due to data uncertainties and a 30-year horizon, outcomes of our analysis are used at the portfolio level, presenting challenges in taking action on an individual client level. This necessitates a step-by-step approach. In 2024, general climate risk information for houses has been published on our websites, which was an important first step.

As one of the biggest mortgage providers in the Netherlands, we are committed to promoting energy efficiency by offering supportive products, tools and services. We also offer a sustainability discount^[1]. We aim to raise awareness at new and future clients about the benefits of sustainable renovation through customer communications such as newsletters, and via special pages on our website. This will improve our clients' properties and reduce the carbon footprint of our mortgage portfolio.

Our credit-granting policy is based on national legislation. We take environmental factors into account in our underwriting criteria, including loan-to-value and loan-to-income rules when granting credit for measures designed to reduce energy consumption. The internal Mortgage Advice Policy stipulates that all ABN AMRO advisers have to discuss additional financing options for making properties more sustainable. This subject is also included in the mortgage advice report. The Energy Saving Check is used to provide insight into energy-saving measures.

[1] In 2021 ABN AMRO increased the sustainability discount to 0.10% for properties with energy label B and to 0.15% for properties with energy label A; discounts apply to new contracts or when interest rates are reset. Florius customers are offered a sustainability discount of 0.10% for properties with an energy label A but no sustainability discount for properties with energy label B. Customers may also qualify for a discount if they make efficiency improvements and achieve an A or B label within 24 months of the date at which interest rates were reset.

Non-financial risk

Non-financial risks refer to the category of risks that could result in loss due to inadequate or failed internal processes, people and systems or due to external events, or failures by external service providers. To deal with this, ABN AMRO has a non-financial risk framework in place, which has also been implemented within AAHG, that enables non-financial risks to be managed within its strict risk focus.

Eleven non-financial sub-risk types have been defined, as well as an overall non-financial risk category, which provides a holistic profile of non-financial risks. AAHG is in the process of further strengthening dedicated functional areas with specific knowledge and expertise to address the material non-financial risk types.

The identified risks and gaps, the mitigating measures and non-financial risk-related events are recorded in a bank-wide tool, AGRC (ABN AMRO Governance, Risk and Compliance). AAHG and ABN AMRO periodically report on non-financial risks and the measures taken to mitigate them.

Change risk

A comprehensive change portfolio management process was established in 2024, prioritising initiatives and aligning capacity, providing complete insight and overview of all change initiatives within AAHG, including available capacity. The overextension of change capacity highlights the need for strategic decisions and transparent communication to manage priorities effectively. Continuous attention from leadership is required to ensure adherence to new portfolio management processes.

Compliance risk

Compliance risk is defined as the risk of failure to comply with laws and regulations, self-regulatory organisational standards, values and business principles, codes of conduct or generally accepted market standards governing AAHG's services and activities. Failure to comply can result in incidents, legal sanctions, regulatory sanctions, and material financial losses and/or harm to AAHG's reputation.

AAHG is expected to meet stringent regulatory requirements and to mitigate its compliance risk. Compliance has a fundamental role, i.e. to fulfil the bank's duty of care responsibilities and to act as a gatekeeper, to foster a culture of sound risk-taking (most notably with regard to all integrity related risks) and to enable and support a mature values-led business.

AAHG also needs to be aware of, and act on key issues such as privacy and suitability. To give more direction to how we want to safeguard our customers' interests, six bank-wide client centricity principles have been defined to provide a compass for all colleagues in putting customers' interests first when making decisions and choices.

These principles are as follows:

- We understand the needs, characteristics and behaviour of our customers.
- Our products and services are suitable for and provide added value to our customers.
- We make sure that our customers are able to understand our products and services.
- We deliver what we promise.
- Our prices are explainable and transparent.
- We are proactive towards our customers and act in their best interest.

From a compliance perspective, the year 2024 was characterised by constructive cooperation with the first line. This also contributes to ABN AMRO's bank-wide purpose of 'banking for better, for generations to come', as compliance is critical to our license to operate.

Client integrity: Know Your Client (KYC) and Customer Due Diligence (CDD)

Before entering into and during business relationships, AAHG carries out due diligence of its customers and third parties such as agents, intermediaries and suppliers, using a risk-based approach aimed at minimising the risk of becoming involved in or associated with money laundering, terrorist financing, corruption or tax evasion. For its KYC and CDD screening AAHG uses systems developed by ABN AMRO and follows several procedures that are performed centrally at ABN AMRO. For those outsourced activities an Intra Group Agreement is in place which is revised annually. In close collaboration with ABN AMRO, AAHG is highly dedicated to reach a sustainable and adequate level that meets regulatory requirements.

ABN AMRO systematically monitors the activities of customers and reports any suspicious or unusual transactions to the relevant authorities. Prospective and existing customers in high-risk situations (such as those involving politically exposed persons (PEPS), adverse media, or customers in countries or sectors with an inherently higher risk of financial crime) undergo additional due diligence. ABN AMRO also considers geopolitical factors when assessing the risks of financial crime in relation to specific countries or sectors. Unacceptable risks lead to the prospective customer or third party in question being rejected or, in the case of an existing customer offboarded.

ABN AMRO is continuing to enhance its internal AML processes and systems for the prevention of financial crime. Additionally, ABN AMRO is committed to increasing the effectiveness of its measures and is working towards an adequate and sustainable level that meets regulatory AML requirements. Currently, the main attention is focusing on the effectiveness of monitoring processes and the quality of client due diligence. ABN AMRO engages in ongoing dialogue with the Dutch Central Bank. The Dutch Central Bank is regularly informed, continues to monitor progress and provides observations.

Data risk

This year, our organisation shifted its approach to data management and compliance through the strategic implementation of the Federated Data Governance Model (FDGM). We aligned our data operations with regulatory frameworks, notably BCBS 239, and significantly expanded our teams to meet the capability demands of our roadmap. We are actively enhancing collaboration with our outsourcing partner, Stater, and have identified several areas, such as data checks and data deliveries, for collaboration and improvement during contract negotiations. Preparations for the implementation of these improvements are already underway. Despite the substantial progress achieved, further enhancement of AAHG's data risk management and the formalisation of workstreams remain essential to fully realising the potential of our data strategy.

Fraud risk

Fraud is a rapidly-changing and complex phenomenon with an increasing impact on society, ABN AMRO and its clients. It can arise from internal or external events and result in financial loss, reputational damage and/or regulatory fines. The first and second line of defence closely collaborate to implement fraud risk management tooling, enabling AAHG to manage and mitigate fraud risk, especially mortgage fraud.

In 2024, there was significant attention on fraud involving business income. This is not a new phenomenon, but it originated from a police operation in May 2024 in the Amsterdam area. The investigation results revealed organised crime involving intermediaries, bookkeepers, real estate agents, and clients in relation to business income. In numerous cases, income figures for mortgage applications were falsified. By sharing information, in compliance with privacy regulations, the fraud department of AAHG B.V. was able to identify parties involved in multiple fraud cases based on this modus operandi. The investigation was conducted not only in the

Amsterdam area but nationwide. Based on the investigation results to date, the market value of the financed property remains unaffected by this type of fraud and is not anticipated to lead to an increase in associated credit losses. The specific characteristics of this type of organised fraud have been translated into appropriate additional mitigating measures and the creation of awareness about the exposed *modus operandi* in the mortgage application process.

ICT risk

ICT risk is defined as the risk of loss due to breach of confidentiality, failure of integrity systems and data, inappropriateness or unavailability and destruction of systems and data or inability to change information technology (IT) within a reasonable time and at reasonable cost when the environment or business requirements are subject to change (i.e. agility). This includes security risks resulting from inadequate or failed internal processes or external events including cyber-attacks or inadequate physical security.

During 2024, with finalisation in the first quarter of 2025, AAHG transformed its IT environment by migrating the on premise managed IT to the IT Platforms of ABN AMRO main bank as part of the SIGMA (Security & Infrastructure Global Mandate) program. The goal of this programme is to de-risk and secure ABN AMRO and its subsidiaries through standardisation and centralisation of IT.

Work also continued to ensure compliance with new regulations, notably the Digital Operational Resilience Act (DORA). DORA came into effect in 2025 and aims to help financial organisations to better manage IT risks and become more resilient to cyber threats.

To manage ICT Risk, the Information Security Framework (ISF) was introduced within AAHG. The ISF provides a consolidated view on information security, consisting of all the security capabilities. The framework is designed to measure and manage the current state of information security, including creating a roadmap with actions to close earlier identified gaps. The ISF was used as foundation for defining the key risk indicators (KRIs) and the underlying key performance indicators (KPIs) for the annual AAHG Risk Appetite Statement on ICT Risk. This is reported quarterly in the non-financial risk report.

To reflect the major changes in the IT environment, AAHG is currently re-assessing the local Control Framework to create a coherent system in which people, processes and technology are aligned with confidentiality, integrity and availability objectives. AAHG remains in control of ICT risk by:

- periodically identifying key risks, based on the threat landscape and the KRIs;
- restating key controls, based on key risks;
- monitoring key controls.

Third party and outsourcing risk

Adequate risk management on third party and outsourcing risks ensures that specific risks related to the external and intragroup outsourcing of business processes, IT platforms and software are properly managed during all phases of the (outsourcing) agreements. The basis for implementing this properly, is secured within AAHG in the Contract Management department. It ensures that AAHG acts on the basis of the relevant EBA outsourcing regulations, the ABN AMRO Third Party and Outsourcing Risk Policy and related framework of policies, tooling and working methods. This also allows it to anticipate changes in legislation and regulations, such as the Digital Operational Resilience Act (DORA), which came into force early 2025. Furthermore, AAHG regularly conducts additional risk assessments.

A Third Party & Risk Management (TPRM) control framework is implemented to be able to monitor risks in the outsourcing agreements. Tier 1 agreements are assessed on a quarterly basis. The results of these assessments are reported to the management team. Actions to mitigate identified risks will be managed and monitored by Contract Management.

Approval of the Annual Financial Statements by the Supervisory Board

The Supervisory Board approved these Annual Financial Statements on 15 May 2025. The Annual Financial Statements will be adopted by the General Meeting of Shareholders.

For the Managing Board:

Ms. G. van Haaren

Mr. J. Zonneveld

Mr. E. Achterkamp

For the Supervisory Board:

Mr. J.G. ter Avest

Ms. L.M.R. Vanbockrijck

Mr. D. Reitsma

Mr. P.J. Scholten

Other Information



Independent auditor's report

To: the shareholder and supervisory board of ABN AMRO Hypotheken Groep B.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the accompanying financial statements for the financial year ended 31 December 2024 of ABN AMRO Hypotheken Groep B.V. based in Amersfoort, the Netherlands.

In our opinion the financial statements give a true and fair view of the financial position of ABN AMRO Hypotheken Groep B.V. as at 31 December 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statutory statement of financial position as at 31 December 2024
- The statutory income statement for 2024
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the '*Our responsibilities for the audit of the financial statements*' section of our report.

We are independent of ABN AMRO Hypotheken Groep B.V. (hereinafter also: the company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

ABN AMRO Hypotheken Groep B.V.'s activities consist of providing residential mortgage products and services to retail clients, which are conducted in The Netherlands. Mortgage products and services are offered through the bank branches of ABN AMRO, through intermediaries and online. All shares of the company are held by ABN AMRO Bank and several functions are outsourced to ABN AMRO Bank. The company is funded by ABN AMRO Bank, primarily through a funding agreement and subordinated notes, and (savings) deposits (not) linked to mortgages from borrowers. We paid specific attention in our audit to a number of areas driven by the activities of the company and our risk assessment.

References to departments and functions in this section concern the departments and functions from the company and/or ABN AMRO Bank.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	€46 million (2023: € 42 million)
Benchmark applied	5% of operating profit before taxation (rounded)
Explanation	In determining the nature, timing and extent of our audit procedures, we use operating profit before tax as a basis for setting our planning materiality. We believe that this benchmark is the most important metric for the performance of AAHG to users of the financial statements. We determined materiality consistent with previous year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board in excess of € 2.3 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds

Scope of the financial statement audit

In order to obtain sufficient and appropriate audit evidence to provide an opinion about the financial statements, we have performed a full-scope audit on the financial information of ABN AMRO Hypotheken Groep B.V. as a whole (no components).

ABN AMRO Hypotheken Groep B.V. has outsourced loan servicing activities including arrear management, payments and collections regarding the mortgage portfolio to a few external parties, based on the service level agreement that we inspected. Furthermore several second line risk functions have been outsourced within ABN AMRO Bank such as risk management, IT, legal, compliance and internal audit. The financial information of these outsourced activities and functions has been included in the financial statements.

We are responsible for planning and performing the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the financial information from the outsourced activities and functions as a basis for forming an opinion on the company's financial statements. We are also responsible for direction,

supervision, review and evaluation of the audit work performed for the purpose of the audit of the financial statements. We bear the full responsibility for the auditor's report.

We made use of the reports on the description, design, and operating effectiveness of controls from service organizations (SOC report) as audit evidence that controls at the service organization relating to the outsourced loan servicing, that are relevant for our audit of the financial statements of the company, were operating effectively throughout 2024 and we made use of reliance memoranda for functions outsourced within ABN AMRO Bank N.V. In this context we determined and communicated the audit work to be performed and identified risks relating to the financial information from outsourced loan servicing including arrear management activities (pool reports). We reviewed and evaluated key working papers when relevant to address the risks of material misstatement. Any further work deemed necessary was determined and then performed, including:

- Inspecting findings and other matters, if any, noted in the SOC report, pool reports and reports from ABN AMRO Bank's risk and internal audit functions, minutes of the managing board and the supervisory board and any remedial actions, insofar relevant for our audit of the company's financial statements
- Reconciling audited loan pool reports regarding the company's mortgage portfolio with the general ledger of the company and performing analytical procedures;
- Reconciling bank confirmations and evaluated existence and ageing of outstanding amounts on suspense accounts related to the company's mortgage portfolio.

By performing the procedures mentioned above on the significant activities, together with the procedures we performed ourselves, we have been able to obtain sufficient and appropriate audit evidence about the financial information as a whole to provide an opinion about the financial statements.

Teaming and use of specialists

We ensured that the audit team has the appropriate skills and competences which are needed for the audit of a mortgage bank. We included specialists in the areas of IT audit, forensics, and income tax and have made use of our own experts in the areas of valuations of real estate, credit risk modelling, macro-economic forecasting and actuarial calculations.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda and lead to significant change for many businesses and society. The managing board of the company has reported in the section Sustainability risk of the financial statements how the company is addressing risks related to climate change, energy transition and the environment, also taking into account related regulatory and supervisory guidance and recommendations. Furthermore we refer to the strategy section of the report of the managing board where the company discloses its assessment and implementation plans in connection to climate-related risks and the effects of energy transition.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's implementation plans are taken into account in estimates and significant assumptions. Furthermore, we read the report of the managing board and considered whether there is any material inconsistency between the non-financial information and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, accounting estimates or significant assumptions as at 31 December 2024.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the managing board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We refer to section 'Principal risks and uncertainties' of the report of the managing board for the managing board's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all organisations, and we considered the presumed risk of fraud in revenue recognition:

- For the risks related to management override of controls we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 1.3 'estimates and assumptions' to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

Additionally, as described in our key audit matter related to the 'Loan loss allowance for loans and advances – customers', we specifically considered whether the judgments and assumptions in the determination of this allowance indicate a management bias that may represent a risk of material misstatement due to fraud.

- With regards to the presumed risk of fraud in revenue recognition, based on our risk assessment procedures, we evaluated that this risk is present in areas with material incidental transactions, more specifically related to the timing and recognition of mortgage sales transactions by ABN AMRO Hypotheken Groep B.V. We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter Sales transaction of mortgages.

We considered available information and made enquiries of relevant executives, directors, internal audit, legal, compliance and risk management, business line management and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the managing board, reading minutes, inspection of internal audit and compliance reports, inspection of the integrity risk analysis (SIRA), enquiries of relevant executives (including internal audit, legal and compliance), and performing substantive tests of details of classes of transactions, account balances or disclosures. Reference is made to sections Know Your Client (KYC) and Customer Due Diligence (CDD) of the annual report for the areas identified by the Managing board with a risk of non-compliance with regulations and heightened regulatory scrutiny.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. In case of potential non-compliance with laws and regulations that may have a material effect on the financial statements, we assessed whether the company has an adequate process in place to evaluate the impact of non-compliance for its activities and financial reporting. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in note 1.2 'Going concern' to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the managing board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future. As discussed in chapter 'Corporate Structure' of the annual report, ABN AMRO Bank N.V. has issued a statement of joint and several liability with respect to the company. By virtue of this statement, ABN AMRO Bank N.V. has assumed joint and several liability for all liabilities arising from legal acts of ABN AMRO Hypotheken Groep B.V.

We discussed and evaluated the specific assessment with the managing board exercising professional judgment and maintaining professional skepticism. We considered whether the managing board's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern and whether the company will continue to meet the regulatory and liquidity requirements. We have read the joint and several liability statement obtained from the company's shareholder ABN AMRO Bank N.V. and the 2024 annual report of ABN AMRO Bank N.V. Furthermore we enquired the external auditor of ABN AMRO Bank N.V. about the financial position and meeting the solvency and liquidity requirements towards ABN AMRO Bank N.V. as per 31 December 2024 and thereafter.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with the previous year, the nature of our key audit matters did not change.

Loan loss allowance for loans and advances - customers

Risk	<p>Loans and advances to customers are measured at amortized cost, less an allowance for impairment. As disclosed in note 1.1 'Accounting policies' to the financial statements, the company applies the option under Dutch Accounting Standard 290 to apply IFRS 9 'Financial instruments' for recognition of expected credit losses including the related disclosure requirements of IFRS 7. The loan loss allowance represents the company's best estimate of expected credit losses (ECL) on the loans and advances - customers at balance sheet date, which is calculated collectively.</p> <p>At 31 December 2024, the gross loans and advances - customers of ABN AMRO Hypotheken Groep B.V. amounts to EUR 153 billion. The allowances for expected credit losses (loan loss allowances) of EUR 127 million are deducted from the gross loans and advances - customers and disclosed in Note 5 to the financial statements and in the section Credit risk in the Risk Management chapter.</p> <p>As disclosed in more detail in the accounting policy for measuring allowances for expected credit losses in the section Credit risk in the Risk Management chapter, the expected credit loss calculation, outsourced to ABN AMRO Bank N.V., is based on risk staging of loans, using assumptions such as the probability of default, the loss given default, macro-economic scenarios and other forward-looking information. These models are updated and enhanced periodically. ABN AMRO Hypotheken Groep B.V. also recognizes certain management overlays among others for different risk characteristics of interest only mortgages, the anticipated expected credit loss impact of new models in development phase and the potential impact of climate and environmental risks (embedded in macroeconomic forecasts).</p> <p>The determination of impairment allowances is a key area of judgment for management. The determination of the recoverability of loans and advances to customers is subject to inherent estimation uncertainty. This also involves setting assumptions and determining scenarios for macro-economic developments. Given the materiality of the loans and advances to customers of ABN AMRO Hypotheken Groep B.V., the complex accounting requirements with respect to calculating allowances for expected credit losses, the subjectivity involved in the judgments made and the risk for management override of controls, we considered this to be a key audit matter.</p>
Our audit approach	<p>Our audit procedures included, amongst others, evaluating the appropriateness of ABN AMRO Hypotheken Groep B.V.'s accounting policies related to expected credit losses according to IFRS 9. We also obtained an understanding of the impairment allowance process, evaluated the design and tested operating effectiveness of internal controls in respect of expected credit loss calculations. We performed substantive procedures, including the reconciliation of the data used in the allowance calculations and disclosures to source systems. Moreover, and in response to the identified fraud risk relating to management override of controls, we</p>

	<p>among others performed reconciliation procedures to the approved impairment allowances and assessed for any manual adjustments to the calculated provisions.</p> <p>With the support of our own credit risk modelling specialists, we assessed the appropriateness of the impairment allowances determined collectively through the use of models. We performed an overall assessment of the provision levels by risk stage to determine if they were reasonable considering the risk profile of the mortgage portfolio, arrears management and credit risk management practices. We challenged the criteria used to allocate loans to risk stage 1, 2 or 3 in accordance with IFRS 9 and tested a sample of mortgages on appropriate stage allocation. We assessed the retrospective review procedures performed by management which compare modelled predictions to actual results, management overlays and other adjustments as well as to the industry peer group benchmark. To assess the estimation uncertainty inherent in the calculations, we developed our independent range of estimates for a sample of models.</p> <p>With the support of our real estate valuation specialists we assessed collateral valuations.</p> <p>Regarding the application of macro-economic scenarios and forward-looking information, we assessed with the support of our own macro-economic forecasting specialists the base case and alternative economic scenarios. We considered the impact of the uncertainties in geopolitical trends, climate and other environmental related factors. This included challenging probability weights and the severity and magnitude of modelled downside scenarios, as well as assessing the sensitivity of changes in the assumptions in the calculations.</p> <p>We tested the appropriateness and considerations of management overlays that are recorded to reflect the credit risk factors which are not captured by the current credit risk models. This included recalculation of the management overlays and challenged the underlying assumptions and tested the data used for measuring the (potential) loss estimate impact. During our testing of the management overlays, we also considered the impact of the findings from regulatory inspections, climate and environmental risks, industry sector trends, known model limitations and the outcome of model monitoring procedures.</p> <p>Finally, we evaluated the completeness and accuracy of the relevant disclosures in accordance with the relevant paragraphs and application guidance of IFRS 7 'Financial instruments: disclosures'.</p>
Key observations	Based on our procedures performed we consider the loan loss allowances for loans and advances - customers to be reasonable. The related disclosures are considered adequate and appropriate and meet the relevant requirements under IFRS 7 and Part 9 of the Book 2 of the Dutch Civil Code.
Estimation of provisions and contingent liabilities	
Risk	In accordance with Dutch Accounting Standard (DAS) 252 "Provisions, contingent liabilities and contingent assets", the company provides for liabilities related to, among others, legal claims, compliance and other matters when an outflow of resources is probable and reliably estimable. As disclosed in Note 14 of the financial statements, the company recognized at 31 December 2024 (other) provisions totaling EUR 4 million.

	<p>Developments with regard to legal and compliance risks are disclosed in the section Compliance risk in the Risk Management chapter. In Note 18 off-balance sheet commitments and contingent liabilities are disclosed. This includes a contingent liability in respect of a discussion on regulatory levies. The company disagrees on the interpretations of the regulation regarding annual contributions (levies) to the Single Resolution Board. The outcome is uncertain and the managing board considers it more likely than not that no additional contributions are required. Consequently, no provision is recognized as per 31 December 2024 and a contingent liability is disclosed.</p> <p>The estimation process in relation to provisions and contingent liabilities is inherently complex. This specifically impacts the determination of whether outflows of resources are probable and can be reliably estimated and the appropriateness of assumptions and judgments used in the estimation of the provisions and disclosure of contingent liabilities. Therefore, we considered the accounting for legal claims to be a key audit matter.</p>
Our audit approach	<p>We evaluated ABN AMRO Hypotheken Groep B.V.'s accounting policies related to provisions and contingent liabilities in accordance with DAS 252, and whether assumptions and the methods for making estimates are appropriate. We also obtained an understanding of the internal controls and the legal and regulatory framework of the company.</p> <p>We evaluated the design and implementation of controls to identify, monitor and disclose potential obligations arising from legal or regulatory matters and other contingencies. We considered whether obligations exist, and the appropriateness of provisioning and disclosure based on the facts and circumstances available.</p> <p>On a regular basis, we inquired with the managing board, as well as the risk, compliance and internal audit departments of the company to understand and discuss the existing and potentially new obligations and regulatory matters. We examined minutes of the managing board and supervisory board meetings, as well as regulatory and legal correspondence to assess developments.</p> <p>To evaluate the facts and circumstances with respect to the discussion about the regulatory levy we obtained the representation made by the external legal counsel, inquired with senior management of ABN AMRO Hypotheken Groep B.V. and, where appropriate, we involved our legal specialists. Furthermore, we evaluated the adequacy of the disclosure regarding provisions and contingent liabilities with regard to legal and compliance matters in accordance with the requirements of DAS 252.</p>
Key observations	<p>Based on our procedures performed we consider the provisions and the disclosures on provisions and contingent liabilities to be reasonable and in accordance with DAS 252.</p>
Reliability and continuity of information technology	
Risk	<p>The activities and financial reporting of ABN AMRO Hypotheken Groep B.V. are highly dependent on the reliability and continuity of ABN AMRO Bank N.V.'s IT environment. Effective general IT controls with respect to change management, logical access, infrastructure and operations, support the integrity and continuity of the IT systems as well as the operating effectiveness of the automated controls.</p>

	<p>The reliability and continuity of electronic data processing is disclosed in in the section ICT Risk in the Risk Management chapter of the financial statements. There is a risk that the general IT control measures may not always operate as intended and, as a result, internal controls are ineffective. Therefore, we identified the reliability and continuity of the IT environment as a key audit matter.</p>
Our audit approach	<p>IT audit specialists are an integral part of the engagement team and assess the reliability and continuity of the IT environment to the extent necessary for the scope of our audit of the financial statements. In this context, we evaluated the design of the IT processes and tested the operating effectiveness of general IT controls, as well as application controls over data processing, data feeds and interfaces where relevant for the financial reporting and our audit of the financial statements. We also assessed the impact of changes in the IT environment during the year resulting from internal transformation activities from ABN AMRO Hypotheken Groep B.V. to ABN AMRO Bank N.V.'s IT environment.</p>
Key observations	<p>Based on our procedures performed, we were able to rely on the IT environment, insofar relevant for our audit of the financial statements.</p>
Sales transaction of mortgages	
Risk	<p>In 2024 the managing board of ABN AMRO Hypotheken Groep B.V. decided to sell a specific portfolio of non-core commercial real estate and related residential mortgages. Following an agreement reached with a third party, the company recognized a net-loss on the sale of EUR 8 million as disclosed in note 22 and note 24 respectively.</p> <p>We consider revenue recognition for this transaction to be a key audit matter due to the incidental character on this sales transaction of non-core commercial real estate and related residential mortgages. Moreover, we identified a fraud risk relating to revenue recognition from this incidental sale of mortgages.</p>
Our audit approach	<p>Our audit procedures comprised an assessment of whether the revenue recognition of the sales transaction by the company was compliant with the requirements as set in Dutch Accounting Standard (DAS) 290. We also obtained an understanding of the internal controls related to (sales) transactions with third parties.</p> <p>We reconciled the revenues and expenses recognized with supporting documentation and inspected sales documentation, bank statements and the confirmation for the break funding fee compensation received. Furthermore, we have verified that the transaction loss is within the boundaries as agreed with management of ABN AMRO Bank N.V. In addition, we have verified that the derecognition criteria for the sold mortgages have been met as set in DAS 290, determined that the mortgages have been derecognized in the sub ledger of the company and that the interest accrual relating to these mortgages stopped as per the transfer date.</p> <p>Finally, we evaluated the completeness and accuracy of the disclosures relating to the restructuring expenses as disclosed in the financial statements in accordance with DAS 290.</p>

Key observations

We considered the recognition and disclosures in connection with the sales transaction and determined that these are reasonable and in accordance with DAS 290.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon:

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The managing board is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board as auditor of ABN AMRO Hypotheken Groep B.V. on 11 September 2015 as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Other non-prohibited services provided

In addition to the statutory audit of the financial statements, we provided services on current account statements with external insurance companies for which we issued specific assurance reports.

Description of responsibilities for the financial statements

Responsibilities of the managing board and the supervisory board for the financial statements

The managing board is responsible for the preparation and fair presentation of the financial statements in accordance Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the managing board is responsible for such internal control as the managing board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the managing board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the managing board should prepare the financial statements using the going concern basis of accounting unless the managing board either intends to liquidate the company or to cease operations, or has no realistic alternative but

to do so. The managing board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the supervisory board in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 15 May 2025
EY Accountants B.V.

Signed by Q. Tsar

Other information

Provisions in the Articles of Association governing profit appropriation

Subject to the approval of the Supervisory Board, the Managing Board will decide what earnings, i.e. the profit disclosed in the income statement, will be retained for the year.

The profit remaining after retained earnings will be distributed to the shareholders in the form of dividend prorated to their share in the company's capital. Profits distributed to shareholders will be capped at the amount of the distributable reserves in equity. Profits will not be distributed until the financial statements showing that profit distributions are permitted have been adopted. The Managing Board is competent to authorise the distribution of interim dividend. A decision to distribute interim dividend is subject to the approval of the Supervisory Board.

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