

**Knab Conditional Pass-Through  
Covered Bond Company B.V.**

**Annual Report 2024**

**Amsterdam, the Netherlands**

Knab Conditional Pass-Through Covered Bond Company B.V.  
Basisweg 10  
1043 AP Amsterdam  
The Netherlands  
Chamber of Commerce Amsterdam 63714779

## Table of contents

## Page

### **1. Director's report**

1.1	Activities and results	3
1.2	Future developments	6

### **2. Financial statements**

2.1	Balance sheet as at December 31, 2024	10
2.2	Statement of income for the year ended December 31, 2024	11
2.3	Statement of cash flows for the year ended December 31, 2024	12
2.4	General notes to the Financial statements	13
2.5	Notes to the Balance sheet	18
2.6	Notes to the Statement of income	21

### **3. Other information**

3.1	Statutory provisions	23
3.2	Independent Auditor's report	23

## **1. Director's report**

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **1.1 Activities and results**

The Director of the Company herewith presents to the shareholder the Annual Report of Knab Conditional Pass-Through Covered Bond Company B.V. (the "Company") for the year 2024. On April 5, 2024 the Company changed its name from Aegon Conditional Pass-Through Covered Bond Company B.V. into Knab Conditional Pass-Through Covered Bond Company B.V.

#### **General**

The Company is a private company with limited liability incorporated under the laws of the Netherlands on July 8, 2015. The statutory address of the Company is Basisweg 10, 1043 AP Amsterdam, the Netherlands. The Company's Dutch Chamber of Commerce registration number is 63714779. All shares issued by the Company are held by Stichting Holding Knab Conditional Pass-Through Covered Bond Company, which also is established in Amsterdam, The Netherlands.

The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds ("the Bonds") issued by Knab N.V. ("KNAB" or "the Issuer") which is located at Thomas R. Malthusstraat 1-3, 1066 JR Amsterdam. As consideration for the Company to meet its obligation under the issued guarantee, KNAB will assign eligible assets to the Company. KNAB assigned eligible mortgage loans to the Company through a silent assignment (in Dutch "stille cessie"). Meaning that until the occurrence of an Assignment Notification Event (reference is made to the Base Prospectus), the asset cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served, KNAB is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been issued, the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Bonds.

KNAB may issue, under the Covered Bond Programme, various series of Covered Bonds with a total notional amount of EUR 5,000 million. On December 1, 2015 KNAB issued under this programme a first series of Bonds in a total value of EUR 750 million. On December 1, 2020 KNAB redeemed this first series in full on the Maturity Date. On May 25, 2016 KNAB issued a second series of Bonds for a total nominal value of EUR 500.0 million. On May 25, 2023 KNAB redeemed this second series in full on the Maturity Date. On June 27, 2017 KNAB issued a third series of Bonds for a total nominal value of EUR 500.0 million. All Bonds of this third series were still outstanding as per December 31, 2024. On November 21, 2017 KNAB issued a fourth series of Bonds for a total nominal value of EUR 500 million. On November 21, 2024 KNAB redeemed this fourth series in full on the Maturity Date. On November 16, 2020 KNAB issued a fifth series of Bonds for a total nominal value of EUR 500 million. All Bonds of this fifth series were still outstanding as per December 31, 2024.

On February 1, 2024 ASR Nederland N.V. announced it reached an agreement to sell KNAB to BAWAG Group AG. The closing of this transaction was announced on November 1, 2024.

As per December 31, 2024 the net outstanding nominal amount of the transferred mortgage loans was EUR 1,224 million (previous year: EUR 1,802 million).

The Bonds were rated by both Standard & Poor's and Fitch at issuance. Both rating agencies rated the Bonds issued at AAA. The ratings assigned by Standard & Poor's to all outstanding series of Bonds have not been amended since their issuance. The ratings assigned by Fitch to all outstanding series of Bonds have been withdrawn upon request of KNAB at December 1, 2020.

Since the issuance of the first series of Bonds neither an Assignment Notification Event, nor a breach of the asset cover test has occurred nor has a Notice to pay or a CBC Acceleration Notice been served.

The Trust Deed entered into by the Company, KNAB and Stichting Security Trustee Knab Conditional Pass-Through Covered Bond Company states that all cost and expenses of the Company and all cash flows from swaps of the Company will be received and paid on behalf of the Company by KNAB for its own account. As a result, all amounts remaining in the Company will flow back periodically to KNAB. Cash transactions to the Company are limited to bank interest received and bank interest charged through to KNAB and the Company will not have the right to any of the proceeds relating to the CBC reserve account.

In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and statement of income of the Company and the director's report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces.

#### **Personnel**

As all operational activities are performed by external parties, the Company does not have any personnel.

# ***Knab Conditional Pass-Through Covered Bond Company B.V.***

## ***Annual Report 2024***

### **Financial reporting**

The Director is responsible for establishing and maintaining adequate internal control over financial reporting. The Director is also responsible for the preparation and fair presentation of the financial statements. The Company's internal control over financial reporting is included in the ISAE 3402 framework of the Director.

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and in accordance with Dutch Accounting Standards.

### **Comparison with prior year**

The principles of valuation and determination of result remain unchanged compared to the prior year.

### **RISK MANAGEMENT**

In the event that the Company will take over the servicing of the Bonds, the Company will run interest rate and credit risk on the Bonds and the mortgage portfolio. In order to limit these potential risks the Company mitigated these risks via various instruments.

The risk appetite of the Company is low and matches the risk-profile of the Company. As said, various measurements have been taken to mitigate the risks for the Company. The main risks are various financial risks which will be dealt with separately.

### **Financial risk management**

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Bonds issued by KNAB. As a consequence, the Company will then, amongst others, run interest rate risks on both the Bonds and the mortgage portfolio.

### **Credit and concentration risk**

Credit risk is mainly related to the economic conditions, as well as environmental conditions (including climate risk), and the risk that individual borrowers might be unable to fulfil their payment obligations. The Company has no exposure to credit risk, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage loans are transferred to the Company, with a maximum credit risk of EUR 1,223.5 million (previous year: EUR 1,802.2 million). Until that moment all risks and rewards associated with the assets are retained by KNAB and the transferred mortgage loans are not recognised on the balance sheet of the Company. However, given the minimum required over collateralisation of at least 5% a buffer is available to cover losses arising.

### **Interest rate risk**

In order to limit the potential interest rate risks the Company may, if deemed necessary, enter into a swap agreement in order to mitigate the interest rate risk. In relation to the series issued and the portfolio transferred to the Company no swap agreement has been entered into by the Company. This given the fact that the average fixed interest rate on the Bonds, of 0.38% (previous year: 0.38%), is less than the average interest rate of 2.32% on all transferred mortgage loans (previous year: 2.82%) and the obligation of KNAB to offer for a succeeding interest period, of the transferred mortgage loans a minimum mortgage interest rate of 1.01% (previous period: 1.00%).

Furthermore, the notional amount outstanding of all transferred eligible mortgage loans should at least be 105% of the notional amount outstanding of all Bonds. At the balance sheet date the notional amount outstanding of the transferred eligible mortgage loans was 122.80% (previous year: 120.61%).

### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the holders of the Bonds and other creditors, as they become due. In order to mitigate the liquidity risk, a temporary shortfall in cash, a reserve account is established. Cash is deposited by KNAB on a separate bank account held by the Company with BNG Bank N.V. ("BNG").

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Operational risk**

The Company has exposure to operational risks due to most of the services are provided by third parties. The third-party servicers to the Company are CSC Management (Netherlands) B.V., CSC Administrative Services (Netherlands) B.V., IQ EQ Structured Finance B.V., Aegon Hypotheken B.V., BNG BANK N.V., KPMG Accountants N.V., Citibank N.A., London Branch and ABN AMRO BANK N.V. The exposure to operational risks to the Company is limited.

### **Limited Recourse**

Although interest rate risk, credit risk and liquidity risk are recognized, the exposure to the Company is limited. The Bonds are issued with limited recourse. If an event of default occurs and the security is enforced, the proceeds may not be sufficient to meet the claims of all the "Secured Creditors" (the Covered Bondholders, directors, administrator, back-up administrator, servicers, custodian, paying agent, calculation agent, registrar, each swap counterparty (if any), asset monitor, CBC account bank, participants, transferor and such other party designated by the security trustee to become a Secured Creditor). If, following enforcement of the security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the transaction documents, the Secured Creditors will no longer have a claim against the Company after enforcement of the security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

### **Risk appetite**

Based on the above, the Company is of the opinion that all significant risks are adequately addressed and that no ongoing risk assessment is deemed necessary. The credit enhancements granted are all part of the risk control measures. As a result, the Company's risk appetite is low.

### **Fraud**

In view of fraud, bribery and anti-corruption, the Director implemented manual and automated internal controls such as segregation of duties and provides training to help employees to identify fraudulent behavior. In addition, the Director implemented, amongst others, a code of conduct, whistleblower policies and internal policies around reporting non-compliance. The Director applies a zero-tolerance policy in relation to fraud, bribery and anti-corruption. No instances of (internal or external) fraud or any other matters are identified in this respect that had a material effect on the financial statements.

### **Results**

Apart from a minimum profit amount which is equal to the lowest of 10% of the management fee and EUR 2.500, in accordance with the Prospectus, representing taxable income for corporate income tax purposes in the Netherlands, in accordance with common practice for securitizations, all income and expenses are allocated to the parties concerned in the funding arrangement. Reference is made to the general notes to the financial statements for further details.

The result for the year 2024 amounts to EUR 2.025 (previous year: EUR 2.025)

Based on the set-up and structure of the Company, a special purpose vehicle with a fixed/predetermined amount of profit each year, no information or analyses are presented on the solvency, liquidity or any other performance ratios.

### **Research and development**

Based on the set-up and structure of the Company, a special purpose vehicle, no information or analyses is presented on the subject matter of research and development.

### **Environmental, Social & Governance (ESG)**

The Company is setup as a Special Purpose Vehicle and due to that reason has set no ESG goals. The Director is of the opinion that the Company itself has no direct influence into the ESG related aspects, as the Company has no activities that directly impact the environment or social aspects. For ESG reporting in which the Company has an indirect role, we refer to the ESG reporting of foremost the Originator and secondly to the ESG reporting provided by the other involved parties.

### **Audit committee**

The Company is an entity for securitization purposes according to Article 1 ministerial decree prudence rules Financial Supervision Act (Article 1, Decree on Prudential Rules for Financial Undertakings). As such the Company makes use of the exemption for securitization vehicles, concerning the obligation to establish an audit committee as defined in article 3d of the implementing regulation enforcing Article 41 of the European Directive no. 2006/43/EG. The implementing regulation came into effect in the Netherlands on August 8, 2008. The duties of the audit committee rest with the Director.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Conflict in the Ukraine and Middle East**

As the Company's assets are located in the Netherlands, its direct exposure to the current conflicts in the Ukraine and the Middle East is very limited. However, the Company's operations and future prospects could be indirectly impacted by the effects that the conflicts may have on the economy as a whole. The limited recourse principle embedded in the transaction means that any such negative consequences are transferred from the Company to the Originator and/or Noteholders and/or Subordinated Loan holder.

### **1.2 Future developments**

This macro-economic analysis in this section is largely based on data and expectations presented by De Nederlandsche Bank ("DNB"). The analysis that focusses particularly on the housing market also includes information derived from reports from the NVM. The NVM is involved in the vast majority, but not all, of the transactions on the Dutch housing market and, as such, the information needs to be seen as merely indicative of the housing market as a whole.

The prediction of future trends and the quantification of developments is inherently a difficult task, full of uncertainties. The calculation of economic indicators and predictions will inevitably lag behind events and some of the information available may not be completely up-to-date with developments.

DNB has concluded that the Dutch economy was in the process of recovery during the second half of 2024 principally as the result of increased domestic consumption. Increasing wage levels outstripped other inflation factors and has led to higher levels of disposable income. At the same time unemployment levels remained relatively stable and these factors ensured a growth in GDP of 0.9% for the year. The contribution of exports was negligible as the competitive position of Dutch producers declined in a tight world market. As a country that is heavily reliant on exports, The Netherlands continued to be impacted by the pressures in global markets and will likely remain vulnerable in this area. Inflation reduced though to levels that were appreciably higher than the Eurozone targets and averages. The impact of energy prices on inflation levels reduced appreciably. The ECB lowered interest rates steadily through most of 2024 reflecting a careful expectation that inflation levels in the Euro zone were slowly returning to long-term targets. By the end of the year, there were clear signals that the peak in interest rates had been reached. The trends being experienced during the second half of 2024 are expected to continue into 2025 and 2026 and the DNB predicts a period of modest growth of around 1.5% for each of those years.

Alongside its most likely scenario, the DNB has also sketched an alternative scenario for the coming years which is largely based on escalation in the conflicts in the Ukraine and the Middle East, and increased trade barriers in the world economy. The risks associated with increased trade barriers intensified following the election results in the USA in November of 2024. These adverse developments would very likely impact the global economy, and the Dutch economy in particular, given its dependence on global markets and exports.

Despite stagnating during the first half of the year, GDP in The Netherlands grew by 0.9% in 2024 as a whole, as compared to 2023. The current expectations are that GDP will continue the trends of the second half of 2024 show a rise of around 1.5% in both 2025 and 2026. In a 'worst case scenario' of escalating world conflicts and trade barriers, the predicted GDP level shows a more modest increase for 2025 of 1.0% and just 0.4% for 2026. The growth is expected to come primarily from domestic consumption and improved investment levels by companies.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

All scenarios are impacted by government spending, particularly in the form of investments in social security, medical care, and defence though they are expected to have less of an impact than in previous years. The level of government budget deficit decreased from 0.9% in 2023 to around 0.7% in 2024. This deficit is significantly lower than previously predicted as the impact of the growing economy was felt during the second half of 2024. For 2025 and 2026 and budget deficit levels of 2.4% and 3.1% respectively are expected. The 2025 level is close to the current EU norm of 3.0% and the expected 2026 level exceeds it. Investments in social security, medical care, and defence continue to dominate spending levels though a significant element of the defence costs are of a one-off nature. The higher levels of interest expense will also impact spending significantly due to the relatively long duration of government bonds issued in recent years when interest rates were relatively high.

In determining the projections for 2024 and beyond, DNB has pointed to a number of strengths and weaknesses of the commercial sector within the Dutch economy that underly the projected developments. The economy has generally been robust to the higher inflation and interest rate levels of recent years. Levels of investments and credit have stagnated somewhat but without significant effects on unemployment and corporate bankruptcy levels. The vulnerability lies primarily in the export and global markets sectors of the economy. Businesses are having to cope with hesitance in international activity, whilst having to cope with higher inflation and interest rate levels than some of the global competitors. The business investment level is expected to increase moderately in 2025, on the back of the increased domestic economic activity and the low investment levels for 2024. The year 2025 is also expected to see a corresponding increase in both activity and requests for credit from the banks and capital markets as confidence is restored somewhat. This is likely to be tempered by increasing costs and pressure on profit levels. The DNB expects that the Dutch exports will increase by 2.0% in both 2025 and 2026.

Unemployment levels remained relatively stable during 2024 at 3.7% and are expected to increase slightly during 2025 to 3.9%, finishing at 4.0% in 2026. Labour markets are expected to remain very tight in the coming years. A reduction in labour positions is expected but this will be closely matched by reductions in the labour force as immigration reduces and participants leave the labour markets on grounds of age. An increase in labour efficiency is required. In the light of these factors, labour markets are expected to remain relatively tight.

Headline inflation decreased from an average of 4.1% in 2023 to some 3.2% in 2024 as inflationary pressures from higher consumer and energy prices eased. This was partly offset by continued pressure from rising wage settlements but also rising house rental prices and the consequences of fiscal measures taken by the government. The inflation levels were still higher than the Euro-zone norm and averages. The expectation is that the inflation levels for the years 2025 and 2026 will be at 3.2% and 2.8%, respectively and still above the Euro zone targets. This expectation is based on the exit rate for 2024, and the expectation that the levels will continue to be negatively influenced by lagging wage inflation, and a hesitant economy.

The domestic housing market is also impacted by the foregoing macro-economic developments, especially slowly falling interest rates and the effects of wage inflation lagging behind headline inflation. Whilst the spectacular growth in domestic house prices is not expected to be maintained, prices are expected to continue to rise at rates above the general inflation levels. According to NVM, the average price of dwellings increased by 2.5% during the last quarter of 2024, as compared to the same period in 2023 and 11.5% for the year as a whole. The number of houses on the market the whole of 2024 was stable at around 26,000. Transactions for the last quarter of 2024 were up 19% as compared to the same period in the previous year, and the trend of over-bidding was reaching unprecedented levels. All this will likely result in continued upward pressure on prices during 2025 and 2026. The upward pressure on prices is also being fuelled by the disappointing levels of new housing being built which seems unable to keep up with new entrants onto the housing market. Despite government initiatives, the issue of new housing permit still lags significantly behind on the target set at 100,000 new dwellings each year. This, together with the effects of slowly decreasing mortgage interest rates and wage inflation, is having a positive effect on market sentiment. This upward pressure on prices is expected to continue in the coming years with DNB expecting price increases in the region of 7.5% for 2025 and around 4% for 2026. As always, regional variations and differences in the various price sectors and types of dwelling continue to exist but the overall picture can be applied to the housing market as a whole.



# ***Knab Conditional Pass-Through Covered Bond Company B.V.***

## ***Annual Report 2024***

Risk levels for existing homeowners and lenders alike have remained relatively stable as compared to the previous year. Improving economic conditions, as compared to 2024, are likely to decrease the levels of defaults. This expectation is also backed by continued limited rises in unemployment levels and business failures. Existing homeowners have seen debt ratios decrease, as a result of a period of major price rises in recent years, including again those of 2024. Competitive pressures are likely to continue in the mortgage provider market. Overall, lenders still have relatively favourable debt ratios on existing portfolios as a result of the rising prices in recent years.

It is important to reiterate that the Company was incorporated specifically for its role in a structured finance transaction and is governed by the terms and conditions of the Prospectus and other Transaction Documents. These are drawn up, inter alia, to foresee all possible future economic conditions, including those caused by, for instance, political conflicts and pandemics. At this stage, it is quite possible that the consequences of adverse economic conditions will result in an increased level of losses of both interest and principal on the Company's assets. The limited recourse principle embedded in the Prospectus and Transaction Documents dictates that any such losses from the Company's assets are to be borne by the Company's creditors, in accordance with a pre-determined priority of payments waterfall.

Consequently, any such losses are unlikely to be borne by the Company itself but rather by the Company's creditors, including the beneficiary of the Deferred Purchase Price, the Noteholders and only ultimately the Company's shareholder. The Company intends to continue to act within the terms and conditions set out for it by the Transaction Documents, and to otherwise comply with all its other obligations. The Company has no employees and is dependent on third-party service providers. However, the level and quality of the service provided has remained unaffected by the events of the recent years.

In conclusion, the Company expects to remain a going concern. The Director believes that the Company's risks are adequately mitigated by the various measures such as financial instruments and credit enhancements entered into, as described in the Financial statements and the Prospectus. Also, as the Company's obligations to the Noteholders are of limited recourse, no significant changes in the current position of the Company are expected for the next 12 months.

### **Post-balance sheet events**

No other events took place that could have a major effect on the financial position of the Company.

Amsterdam, June 30, 2025

Director  
CSC Management (Netherlands) B.V.

## 2. Financial statements

# Knab Conditional Pass-Through Covered Bond Company B.V.

## Annual Report 2024

### 2.1 Balance sheet as at December 31, 2024

(before result appropriation)

	Note	December 31, 2024		December 31, 2023	
ASSETS		€	€	€	€
<b>Current assets</b>					
Other receivables	[1]	-	-	168,040	168,040
<b>Cash and cash equivalents</b>	[2]		4,499,316		7,247,429
<b>Total assets</b>			<u>4,499,316</u>		<u>7,415,469</u>
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>	[3]				
Issued share capital		1		1	
Other reserves		17,351		15,326	
Result for the period		<u>2,025</u>		<u>2,025</u>	
			19,377		17,352
<b>Non-current liabilities</b>	[4]				
Non-current liabilities		<u>4,336,371</u>		<u>7,336,371</u>	
			4,336,371		7,336,371
<b>Current liabilities</b>	[5]				
Other payables		112,963		-	
Accrued expenses and other liabilities		<u>30,604</u>		<u>61,746</u>	
			143,568		61,746
<b>Total equity and liabilities</b>			<u>4,499,316</u>		<u>7,415,469</u>

The accompanying notes form an integral part of these financial statements.

# ***Knab Conditional Pass-Through Covered Bond Company B.V.***

## ***Annual Report 2024***

### **2.2 Statement of income for the year ended December 31, 2024**

	Note	2024	2023
		€	€
Income	[6]	<u>2,857,257</u>	<u>3,349,955</u>
		<u>2,857,257</u>	<u>3,349,955</u>
General and administrative expenses	[7]	<u>-2,854,814</u>	<u>-3,347,514</u>
		<u>-2,854,814</u>	<u>-3,347,514</u>
Interest income and similar income		57	60
Interest expense and similar charges		<u>-</u>	<u>-</u>
		<u>57</u>	<u>60</u>
<b>Result before taxation</b>		2,500	2,500
Coporate income tax	[8]	<u>-475</u>	<u>-475</u>
		<u>-475</u>	<u>-475</u>
<b>Net result</b>		<u><u>2,025</u></u>	<u><u>2,025</u></u>

The accompanying notes form an integral part of these financial statements.

# Knab Conditional Pass-Through Covered Bond Company B.V.

## Annual Report 2024

### 2.3 Statement of cash flows for the year ended December 31, 2024

The Statement of cash flows has been prepared according to the indirect method.

	Note	2024		2023	
		€	€	€	€
Net result			2,025		2,025
<i>Adjustments on the Statement of income:</i>					
Corporate income tax	[8]	475		475	
			475		475
<b>Movements in working capital</b>					
Net change in other receivables	[1]	168,040		187,339	
Net change in current liabilities	[5]	81,822		34,304	
Corporate income taxes paid	[8]	-475		-475	
			249,387		221,168
Cash flow used in operating activities			251,887		223,668
<b>Cash flow from financing activities</b>					
<i>Non-current liabilities</i>					
Redemptions on long-term loans		(3,000,000)		-	
Cash flow generated from financing activities			(3,000,000)		-
<b>Movement in cash</b>			(2,748,113)		223,668
Opening balance			7,247,429		7,023,761
Movements in cash			(2,748,113)		223,668
Closing balance			4,499,316		7,247,429

The accompanying notes form an integral part of these financial statements.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **2.4 General notes to the Financial statements**

#### **General**

The Company is a private company with limited liability incorporated under the laws of the Netherlands on July 8, 2015. The statutory address of the Company is Basisweg 10, 1043 AP Amsterdam, the Netherlands. The Company's Dutch Chamber of Commerce registration number is 63714779. All shares issued by the Company are held by Stichting Holding Knab Conditional Pass-Through Covered Bond Company, which also is established in Amsterdam, The Netherlands.

The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds ("the Bonds") issued by Knab N.V. ("KNAB" or "the Issuer") which is located at Thomas R. Malthusstraat 1-3, 1066 JR Amsterdam. As consideration for the Company to meet its obligation under the issued guarantee, KNAB will assign eligible assets to the Company. KNAB assigned eligible mortgage loans to the Company through a silent assignment (in Dutch "stille cessie"). Meaning that until the occurrence of an Assignment Notification Event (reference is made to the Base Prospectus), the asset cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served, KNAB is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been issued, the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Bonds.

#### **TRANSACTION STRUCTURE, MANAGEMENT AND RELATED PARTIES**

KNAB may issue, under the Covered Bond Programme, various series of Covered Bonds with a total notional amount of EUR 5,000 million. On December 1, 2015 KNAB issued under this programme a first series of Bonds in a total value of EUR 750 million. On December 1, 2020 KNAB redeemed this first series in full on the Maturity Date. On May 25, 2016 KNAB issued a second series of Bonds for a total nominal value of EUR 500.0 million. On May 25, 2023 KNAB redeemed this second series in full on the Maturity Date. On June 27, 2017 KNAB issued a third series of Bonds for a total nominal value of EUR 500.0 million. All Bonds of this third series were still outstanding as per December 31, 2024. On November 21, 2017 KNAB issued a fourth series of Bonds for a total nominal value of EUR 500 million. On November 21, 2024 KNAB redeemed this fourth series in full on the Maturity Date. On November 16, 2020 KNAB issued a fifth series of Bonds for a total nominal value of EUR 500 million. All Bonds of this fifth series were still outstanding as per December 31, 2024.

On February 1, 2024 ASR Nederland N.V. announced it reached an agreement to sell KNAB to BAWAG Group AG. The closing of this transaction was announced on November 1, 2024.

As per December 31, 2024 the net outstanding nominal amount of the transferred mortgage loans was EUR 1,224 million (previous year: EUR 1,802 million).

The Stichting Holding Knab Conditional Pass-Through Covered Bond Company ('the Foundation') holds all shares of the Company. The Foundation was incorporated under the laws of the Netherlands on July 1, 2015. The registered office of the Foundation is in Amsterdam, the Netherlands. The objectives of the Foundation are to incorporate, acquire and to hold shares in the share capital of the Company and to exercise all rights attached to such shares and to dispose and encumber such shares. The sole director of the Foundation is CSC Management (Netherlands) B.V.

The Stichting Security Trustee Knab Conditional Pass-Through Covered Bond Company ("the Trustee") was incorporated under the laws of the Netherlands on July 1, 2015. The registered address of the Trustee is in Amsterdam, the Netherlands. The main objective of the Trustee is to act as security trustee for the benefit of the creditors of the Company, including the holders of the Bonds issued by KNAB and guaranteed by the Company. The sole director of the Trustee is IQ EQ Structured Finance B.V.

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

#### **Personnel**

As all operational activities are performed by external parties, the Company does not have any personnel.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Financial reporting**

The Director is responsible for establishing and maintaining adequate internal control over financial reporting. The Director is also responsible for the preparation and fair presentation of the financial statements. The Company's internal control over financial reporting is included in the ISAE 3402 framework of the Director. The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

The financial statements have been prepared for a reporting period of one year, January 1, 2024 to December 31, 2024.

### **Comparison with prior year**

The principles of valuation and determination of result remain unchanged compared to the prior year.

### **RISK MANAGEMENT**

In the event that the Company will take over the servicing of the Bonds, the Company will run interest rate and credit risk on the Bonds and the mortgage portfolio. In order to limit these potential risks the Company mitigated these risks via various instruments.

The risk appetite of the Company is low and matches the risk-profile of the Company. As said, various measurements have been taken to mitigate the risks for the Company. The main risks are various financial risks which will be dealt with separately.

### **Financial risk management**

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Bonds issued by KNAB. As a consequence, the Company will then, amongst others, run interest rate risks on both the Bonds and the mortgage portfolio.

### **Credit and concentration risk**

Credit risk is mainly related to the economic conditions, as well as environmental conditions (including climate risk), and the risk that individual borrowers might be unable to fulfil their payment obligations. The Company has no exposure to credit risk, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage loans are transferred to the Company, with a maximum credit risk of EUR 1,223.5 million (previous year: EUR 1,802.2 million). Until that moment all risks and rewards associated with the assets are retained by KNAB and the transferred mortgage loans are not recognised on the balance sheet of the Company. However, given the minimum required over collateralisation of at least 5% a buffer is available to cover losses arising.

### **Interest rate risk**

In order to limit the potential interest rate risks the Company may, if deemed necessary, enter into a swap agreement in order to mitigate the interest rate risk. In relation to the series issued and the portfolio transferred to the Company no swap agreement has been entered into by the Company. This given the fact that the average fixed interest rate on the Bonds, of 0.38% (previous year: 0.38%), is less than the average interest rate of 2.32% on all transferred mortgage loans (previous year: 2.82%) and the obligation of KNAB to offer for a succeeding interest period, of the transferred mortgage loans a minimum mortgage interest rate of 1.01% (previous period: 1.00%).

Furthermore, the notional amount outstanding of all transferred eligible mortgage loans should at least be 105% of the notional amount outstanding of all Bonds. At the balance sheet date the notional amount outstanding of the transferred eligible mortgage loans was 122.80% (previous year: 120.61%).

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Fraud**

In view of fraud, bribery and anti-corruption, the Director implemented manual and automated internal controls such as segregation of duties and provides training to help employees to identify fraudulent behavior. In addition, the Director implemented, amongst others, a code of conduct, whistleblower policies and internal policies around reporting non-compliance. The Director applies a zero-tolerance policy in relation to fraud, bribery and anti-corruption. No instances of (internal or external) fraud or any other matters are identified in this respect that had a material effect on the financial statements.

### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its payment obligations towards the holders of the Bonds and other creditors, as they become due. In order to mitigate the liquidity risk, a temporary shortfall in cash, a reserve account is established. Cash is deposited by KNAB on a separate bank account held by the Company with BNG Bank N.V. ("BNG").

### **Operational risk**

The Company has exposure to operational risks due to most of the services are provided by third parties. The third-party servicers to the Company are CSC Management (Netherlands) B.V., CSC Administrative Services (Netherlands) B.V., IQ EQ Structured Finance B.V., Aegon Hypotheken B.V., BNG BANK N.V., KPMG Accountants N.V., Citibank N.A., London Branch and ABN AMRO BANK N.V. The exposure to operational risks to the Company is limited.

### **Limited Recourse**

Although interest rate risk, credit risk and liquidity risk are recognized, the exposure to the Company is limited. The Bonds are issued with limited recourse. If an event of default occurs and the security is enforced, the proceeds may not be sufficient to meet the claims of all the "Secured Creditors" (the Covered Bondholders, directors, administrator, back-up administrator, servicers, custodian, paying agent, calculation agent, registrar, each swap counterparty (if any), asset monitor, CBC account bank, participants, transferor and such other party designated by the security trustee to become a Secured Creditor). If, following enforcement of the security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the transaction documents, the Secured Creditors will no longer have a claim against the Company after enforcement of the security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

## **PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these Financial statements are set out below:

### **Basis of presentation**

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code and in accordance with Dutch Accounting Standards ("RJ"). This is normal course of business for this kind of special purpose vehicles due to the uniqueness of the structure and accompanying financial statement line items. The applied accounting policies for all assets and liabilities are based on the historic cost convention, unless stated otherwise, which effectively comprises the cost of the transaction. The Balance Sheet, Statement of Income and the Statement of cash flows statement include references to the notes.

An asset is recognised in the Balance Sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the Balance Sheet are considered as off-Balance Sheet assets. A liability is recognised in the Balance Sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Allowances are included in the liabilities of the Company. Liabilities that are not recognised in the Balance Sheet are considered as off-Balance Sheet liabilities.

An asset or liability that is recognised in the Balance Sheet, remains recognised on the Balance Sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are considered. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.



# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

An asset or liability is no longer recognised in the Balance Sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the Statement of Income.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed taking into account any allowances related to the transaction.

The Director has prepared the financial statements on June 30, 2025

### **Functional and presentation currency**

These financial statements are presented in EUR. All amounts are in EUR, unless stated otherwise.

### **Significant accounting judgments and estimates**

The preparation of the financial statements requires the Director to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. It also requires the Director to exercise its judgement in the process of applying the Company's accounting policies.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

If necessary, for the purposes of providing the view required under article 2.362.1 Dutch Civil Code (DCC), the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the applicable financial statement items.

### *Going Concern*

The Director has assessed the Company's ability to continue as a going concern and is satisfied that the Company has the resources and activities to continue in business for the foreseeable future. Furthermore, the Director is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### **Financial instruments**

These financial statements contain the following financial instruments: other receivables, cash and cash equivalents, non-current liabilities and current liabilities.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. After initial recognition, financial instruments are valued at amortised cost. For any specific applicable accounting policy see the specific descriptions of the financial instruments in this section.

### **Other receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost. All receivables included under current assets are due in less than one year. The fair value of the current assets approximates the book value due to its short-term character. If a receivable is uncollectable, it is written off against the Statement of income.

### **Cash and cash equivalents**

Cash and cash equivalents are valued at nominal value and, insofar as not stated otherwise, are at the free disposal of the Company. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources. The fair value of the cash and cash equivalents approximates the book value due to its short-term character.

### **Non-current liabilities**

The balance with the Issuer is initially recognised at fair value and subsequently carried at amortised cost. Mortgage loans and all other related balances are deducted from the balance with the Issuer in recognition of the retention of economic ownership by the Issuer.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Current liabilities**

After initial measurement at fair value, current liabilities are carried at amortised cost. All liabilities included under current liabilities are due in less than one year. Gains or losses are recognised in the Statement of income when the liabilities are derecognised, as well as through the amortisation process when applicable. The fair value of the current liabilities approximates the book value due to its short-term character.

### **Result**

The result is the difference between the income and the general and administrative expenses during the year. The results on transactions are recognised in the year in which they are realised.

### **Revenue recognition**

Income is recognised in the Statement of income when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability.

Income and expenses, including taxation, are allocated to the period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

### **General and administrative expenses**

General and administrative expenses are accounted for in the period in which these are incurred.

### **Subsequent events**

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

### **FAIR VALUE FINANCIAL INSTRUMENTS**

Due to the short-term nature of the other receivables, cash and cash equivalents, non-current liabilities and other liabilities included in these financial statements, the estimated fair value for these financial instruments approximates the book value, as disclosed in the aforementioned accounting policies.

### **CORPORATE INCOME TAX**

The Company is liable to Dutch corporate income tax under a tax ruling. This stipulates that the Company should report annual income on the basis of a 10% mark-up on the Director's fee, with a minimum of EUR 2,500.

### **STATEMENT OF CASH FLOW**

The statement of cash flows has been prepared using the indirect method. The cash items disclosed in the statement of cash flows are comprised of cash and cash equivalents. Income taxes are included in cash from operating activities. Dividends, when applicable, are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash are not recognised in the statement of cash flows.

### **CONTINGENT LIABILITIES AND COMMITMENTS**

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee.

# Knab Conditional Pass-Through Covered Bond Company B.V.

## Annual Report 2024

### 2.5 Notes to the Balance sheet

#### CURRENT ASSETS

##### Other Receivables [1]

Receivable KNAB

December 31, 2024	December 31, 2023
€	€
-	168,040
-	168,040

The other receivables consists of costs reimbursed to KNAB by the Company, but still need to be received by the Company. All receivables fall due within one year.

##### Cash and cash equivalents [2]

CBC Collection Account

CBC reserve account

CBC custody cash account

December 31, 2024	December 31, 2023
€	€
957	993
4,498,052	7,245,420
307	1,017
4,499,316	7,247,429

##### *CBC collection account*

The CBC collection account relates to a floating rate current account with BNG. The rate of interest on the collection account is determined by the Euro Short-Term Rate (€STR) plus a fixed spread of 8.5 bps (the "recalibrated methodology").

##### *CBC reserve account*

The CBC reserve account relates to a reserve deposit with BNG. The reserve account required amount as per December 31, 2024 amounts to EUR 2,407,397.26 (previous year: EUR 3,204,180.33). These funds are designated as reserve fund for the bond holders. These funds are not at the free disposal of the Company, as they relate to immediately due and payable withdrawal claims against credit institutions and cash resources. The remaining balance of EUR 2,090,655 is at the free disposal of the Company. The rate of interest on the reserve account is determined by the EONIA minus a spread amounting to 15 basis points.

##### *CBC custody cash account*

The CBC custody cash account relates to a floating rate current account with ABN AMRO Bank N.V. The rate of interest on the custody cash account is determined by the EONIA minus a spread amounting to 25 basis points.

# Knab Conditional Pass-Through Covered Bond Company B.V.

## Annual Report 2024

### 2.5 Notes to the Balance sheet

#### SHAREHOLDER'S EQUITY [3]

The authorised capital which are issued and paid-in amounts to € 1, consisting of 1 ordinary share of € 1.

	2024 €	2023 €
<b>Issued share capital</b>		
<i>Balance as per beginning of period</i>	1	1
Issue share	-	-
<i>Balance as per end of period</i>	1	1

	2024 €	2023 €
<b>Other reserves</b>		
<i>Balance as per beginning of period</i>	15,325	13,200
Profit prior year	2,025	2,125
<i>Balance as per end of period</i>	17,350	15,325

	2024 €	2023 €
<b>Result for the period</b>		
<i>Opening balance</i>	2,025	2,125
Undistributed profit transferred to Other reserves	-2,025	-2,125
Result for the period	2,025	2,025
<i>Closing balance</i>	2,025	2,025

#### Proposed appropriation of result

The net result for the year 2024 is EUR 2,025 (previous period EUR 2,025). The Director proposes to add the net result to the Other reserves.

#### NON-CURRENT LIABILITIES [4]

##### Non-current liabilities

	2024 €	2023 €
Opening balance	7,336,371	7,336,371
Redemptions	-3,000,000	-
Closing balance	4,336,371	7,336,371

Non-current liabilities relate to the obligatory cash deposit made by KNAB. This cash amount is deposited in a separated account; the reserve account. The Company will need to refund the deposited amount, to KNAB, when the obligation of maintaining a reserve fund is no longer in place. This will be the case once the issued Bonds have been repaid in full. KNAB redeemed the first series at its maturity date at December 1, 2020, the second series at its maturity date May 25, 2023 and the fourth series at its maturity date November 21, 2024. The maturity date of the third series is June 27, 2027. The maturity date of the fifth series is November 16, 2025.

The required amount that needs to be deposited is based on the scheduled interest due on the issued Bonds on the next following interest payment date. The reserve fund is maintained in order to guarantee an uninterrupted payment of the interest amounts due on the Bonds. KNAB is entitled to receive all interest receipts in relation to the deposited cash amount in the reserve account. The liability equals the amounts that have been deposited by KNAB on the reserve account. No interest is due on the liability towards KNAB.

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee.

***Knab Conditional Pass-Through Covered Bond Company B.V.***  
***Annual Report 2024***

**CURRENT LIABILITIES [5]**

**Other payables**

Payable to KNAB

December 31, 2024	December 31, 2023
€	€
112,963	-
112,963	-

The payable to KNAB consists of revenue disbursed to KNAB by the Company, but still need to be paid by the Company. All payables fall due within one year.

**Accrued expenses and other liabilities**

Audit fee  
Other fees payable

December 31, 2024	December 31, 2023
€	€
30,492	61,746
112	-
30,604	61,746

Accrued expenses and other liabilities are due within a year. As part of the Trust Deed all income and expenses are settled with KNAB. All current liabilities have a maturity of less than one year.

# Knab Conditional Pass-Through Covered Bond Company B.V. Annual Report 2024

## 2.6 Notes to the Statement of income

### Income [6]

Charged to KNAB

2024	2023
€	€
2,857,257	3,349,955
<u>2,857,257</u>	<u>3,349,955</u>

All income was due from the Seller.

### General and administrative expenses [7]

Pool servicing fee

Administration fee

Management fee

Audit fees

Other expenses

2024	2023
€	€
2,657,194	3,162,079
114,024	109,844
45,517	40,553
37,036	34,304
1,042	734
<u>2,854,814</u>	<u>3,347,514</u>

The Administration fee and Management fee were payable to a related party.

The pool servicing fee is payable to KNAB and is paid as remuneration for the servicing of the pool.

Current year

Audit of the financial statements

Other audit engagements

Tax advisory services

Other non-audit services

KPMG Accountants N.V. EUR	KPMG Accountants N.V. firms / affiliates EUR	Totals EUR
37,036	-	37,036
-	-	-
-	-	-
-	-	-
<u>37,036</u>	<u>-</u>	<u>37,036</u>

Previous year

Audit of the financial statements

Other audit engagements

Tax advisory services

Other non-audit services

KPMG Accountants N.V. EUR	KPMG Accountants N.V. firms / affiliates EUR	Totals EUR
34,304	-	34,304
-	-	-
-	-	-
-	-	-
<u>34,304</u>	<u>-</u>	<u>34,304</u>

The fees listed above relate to the procedures applied to the Company by accounting firms and external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ("Wet toezicht accountantsorganisaties - Wta") as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. These fees relate to the audit of the financial statements, regardless of whether the work was performed during the financial year.

The audit of the financial statements comprises a fee payable to KPMG Accountants N.V. (previous year: KPMG Accountants N.V.) for services rendered. The amount is including VAT.

# **Knab Conditional Pass-Through Covered Bond Company B.V.**

## **Annual Report 2024**

### **Corporate income tax [8]**

Corporate income tax

2024	2023
€	€
475	475

The Company and the Dutch Tax Authorities agreed by way of a ruling that the taxable amount is calculated at the higher of EUR 2,500 and 10% of the annual remuneration paid to the Director of the Company. The applicable tax rate for the year 2024 is 19.0% (previous period: 19.0%) of the taxable amount.

### **Employees**

During the year 2024 the Company did not employ any personnel in and outside the Netherlands (previous period: nil).

### **Remuneration of the of Director**

The management board of the Company consists of one corporate director; the remuneration of the Director is included in the management fee as disclosed under General and administrative expenses, above and amounts to EUR 23,837 (previous period: EUR 22,954). The Company does not have a supervisory board.

### **Contingent liabilities and commitments**

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee.

### **Post-balance sheet events**

No other events took place that could have a major effect on the financial position of the Company.

Amsterdam, June 30, 2025

Director

CSC Management (Netherlands) B.V.

# ***Knab Conditional Pass-Through Covered Bond Company B.V.***

## ***Annual Report 2024***

### **3. Other information**

#### **3.1 Statutory provisions**

In accordance with article 19 of the Company's articles of association and applicable law, the Director is authorised to retain the profits or a part thereof, as appears from the most recently adopted financial statements. The general meeting is subsequently authorised to resolve to distribute or to reserve what then remains of the profits or a part thereof. The general meeting is also authorised to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholder only to the extent that the Company's shareholder's equity exceeds the sum of the reserves which it is legally required to maintain.

The Company may only follow a resolution of the General Meeting to distribute after the management board has given its approval to do this. The Director withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

#### **3.2 Independent auditor's report**

See next page.





## **Independent auditor's report**

To: the General Meeting of Knab Conditional Pass-Through Covered Bond Company B.V.

### **Report on the audit of the financial statements**

#### ***Our opinion***

We have audited the financial statements 2024 of Knab Conditional Pass-Through Covered Bond Company B.V., based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Knab Conditional Pass-Through Covered Bond Company B.V. as at 31 December 2024, and of its result for the year ended on 31 December 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2024;
- 2 the statement of income for the year ended on 31 December 2024;
- 3 the statement of cash flows for the year ended on 31 December 2024;
- 4 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 Knab Conditional Pass-Through Covered Bond Company B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

### **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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 the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The director is responsible for the preparation of the other information.

## **Description of the responsibilities for the financial statements**

### ***Responsibilities of the director for the financial statements***

The director is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the director is responsible for such internal control as the director 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 director is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the director should prepare the financial statements using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The director 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.

### ***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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- 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 director;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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. 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 the company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.

Amstelveen, 30 June 2025

KPMG Accountants N.V.

J.A. van den Hengel RA