interim report **2024**

bank of added value

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Foreword

Politics and geopolitics are still in turmoil worldwide, with the various elections taking place this year playing an important role. First were the elections for the European Parliament, which demonstrated the increasing polarisation in society. In response came the early elections called by French President Macron. Besides these, the upcoming presidential elections in the United States and the difficult cabinet formation at home also made for an exciting first half of the year.

From an economic perspective, the first rate cuts made the first half of 2024 a tipping point in monetary policy, creating uncertainty and nervousness in the market. As the market has become more volatile and there is less money available, good investor relations are even more important for BNG. In order to properly anticipate and respond to market developments, we need to be flexible and fast in our decision-making. We managed to do this quite well.

BNG was well positioned in the first half of the year. Our loan portfolio has grown, and we granted EUR 6.0 million in new, long-term loans. Net profit amounted to EUR 158 million, which was largely determined by the interest result of EUR 258 million. BNG Bank's capital and liquidity position remained strong, with our capital and liquidity ratios remaining well above the regulatory minimum. All this makes BNG a very solid institution. Despite the turmoil in the world, we are seen as, and *are*, a stable factor for clients, investors and shareholders alike. This makes BNG unique, but this status is not to be taken for granted. We therefore continue to commit fully to retaining it.

In the first half of the year, we introduced 'BNG – Bank of added value' with a new logo and a new corporate identity. In doing so, we are giving direction to the positive contribution that BNG makes to society through its financing. For me, this means that we will show even better, both externally and internally, what BNG stands for and who we are.

Another great milestone is the upgrade of our ESG rating at MSCI to 'AA'. For BNG, it is important to be demonstrably sustainable. The improvement in our ESG rating shows that the outside world sees and recognises that as a bank we are making a positive contribution to a more sustainable Netherlands. We can be proud of that.

Gita Salden left as BNG's CEO at the end of May. We have enjoyed working together at the Exco over the past six years. I would like to thank Gita once again for her contribution and unbridled commitment. At the same time, I am also looking forward to the arrival of our new CEO, Philippine Risch, in October. I think it is great that she is coming to strengthen BNG.

Finally, I would like to emphasise that clients can and may continue to count on us. That is the power of BNG. I am proud of the bank's financial performance, what we do for our clients and the commitment of our employees. I admire the way they work hard every day as a team. To end on a personal note, I am very honoured to temporarily hold the dual positions of CEO and CFO. I am truly energised by performing these twin roles, energy that I would like to continue to put to work, together with our clients and my colleagues, in making the Netherlands greener and more social.

Olivier Labe
Acting CEO BNG and CFO

> *Despite the turmoil in the world, we are seen as, and are, a stable factor for clients, investors and shareholders alike*

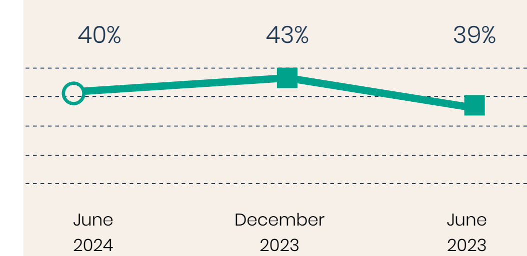
First half year

Selected financial data 2024

Balance sheet total	Net profit	Interest result	Long-term loan portfolio
€ 125.6 billion	€ 158 million	€ 258 million	€ 91.4 billion

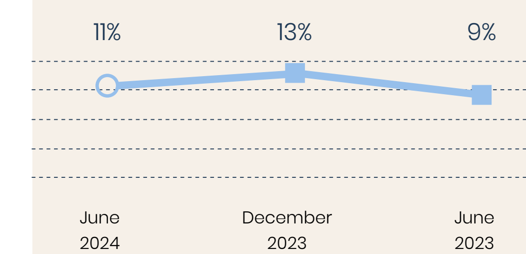
Common Equity Tier 1-ratio

40%



Leverage ratio

11%



Funding

New long-term capital market funding raised in the first half of 2024

€ 12.3 billion

Lending

New long-term loans in the first half of 2024

€ 6 billion

1. Trends and developments

The first half of 2024 exceeds the expectations. The client demand for long-term loans is high. This also applies for the demand for short- and long-term BNG debt securities from investors. Furthermore there is growing activity in ESG bonds.

Economic growth in the eurozone showed a moderate recovery in the first half of 2024 compared to 2023. However, the restrictive monetary policy of the European Central Bank (ECB) has a strong inhibitory effect on the economy. Inflation has fallen significantly since its peak at the time of the energy crisis in 2022. The ECB expects the 2% inflation target to be achieved in the medium term. Historically, unemployment was also very low in the first half of 2024. Against this background, the ECB started to ease interest rate policy with a first rate cut in June 2024. The ECB expects economic growth to continue through 2024, supported by rising household incomes, rising foreign demand and a recovery in business investment.

Lending

Demand for loans in the public sector increased sharply in the second quarter in particular, as a result of which new long-term loans were above expectations as at 30 June 2024. Although most of the fundamental factors - such as mutual borrowing, high cash balances with municipalities as a result of the national government's advance, staff shortages and budget security in 2026 - are unchanged, we do see that investments by municipalities seem to be recovering. In the first half of 2024, EUR 1.3 billion of long-term loans were provided to the public sector.

Demand for long-term loans is also high in the housing sector, the result of the increasing level of investment in new construction and sustainability. The first half of 2024 already saw EUR 4.3 billion of long-term loans being provided to housing associations. Here, too, the realisation is above expectations. The vast majority of these were loans secured by the Social Housing Guarantee Fund. In addition, we see an increase in the demand for loans for mid-range rented homes, where such a guarantee does not apply. The demand for loans has led to an increase in the loan portfolio in the social housing sector, which increased by more than EUR 2 billion in the first half of the year.

Due to the current investment climate, credit demand in the healthcare sector lags slightly. In the first half of 2024, we extended EUR 173 million in new long-term loans.

Strong position on money markets and capital markets

From the start of the year, demand for short- and long-term BNG debt securities was strong. BNG has issued successful benchmark bonds, including a new USD 2.5 billion five-year bond with record investor interest totalling USD 9.3 billion in subscriptions. In general, the sector in which BNG operates had an increased bond issue during the first months of the year.

Many market participants took into account the US presidential election in November and investors were attracted to high interest rates, pushing activity forward into the year. The good market conditions worsened when French President Macron announced early elections in early June, a response to the victory of the French radical right in the European elections. Due to the political uncertainty that followed in the run-up to the French elections, activity in the capital markets declined sharply prior to the summer recess.

Growing activity in ESG bonds

BNG raised EUR 12.3 billion in long-term funding in the first half of the year, of which EUR 5.7 billion in ESG format. With 46% of the total ESG bond issue, BNG is on track to increase the percentage of last year's ESG bonds (41%). With the proceeds of the ESG bonds, BNG finances activities of Dutch municipalities and housing associations that have a positive impact on the environment and social benefits. In this way, BNG supports its mission to make maximum social impact.

> *With 46% of the total ESG bond issue, BNG is on track to increase the percentage of last year's ESG bonds (41%)*

2. Financial results

BNG had a good half year and achieved a net profit of EUR 158 million (first half of 2023: EUR 141 million). The net profit is largely determined by the interest result that amounted to EUR 258 million (first half of 2023: EUR 246 million). Net profit in the first half of 2024 was EUR 17 million higher than in the previous year.

The bank provided EUR 6.0 billion in new long-term loans in the first six months (first half of 2023: EUR 6.0 billion). To meet the loan demand, BNG attracted EUR 12.3 billion in long-term funding (first half of 2023: EUR 11.2 billion). Return on equity increased from 6.3% to 6.9% due to higher net profit.

Interest income amounted to EUR 258 million, which is EUR 12 million higher than in the first half of 2023. The interest result is higher due to higher interest rates. The presentation of financial results in the consolidated income statement in relation to derivatives was changed in 2024 to better provide insights in the drivers underpinning the line-item result on financial transactions. The comparative figures have also been adjusted.

Compared to the first half of 2023, the commission result increased by EUR 4 million to EUR 17 million. The increase of EUR 4 million is mainly attributable to commissions related to treasury activities. Commission income furthermore consists mainly of revenues from the fees on payment transactions and the commitment fees.

The result on financial transactions was EUR 8 million negative in the first half of 2024 (first half of 2023: EUR 5 million negative). The result on the revaluation of the credit and liquidity spreads of interest-bearing securities amounted to EUR 5 million negative (first half of 2023: EUR 10 million negative). Under hedge accounting, the result was EUR 7 million negative (first half of 2023: EUR 8 million positive). In the first half of 2024, a negative sales result of EUR 9 million was realised on the liquidity portfolio (first half of 2023: EUR 6 million negative). The decline in credit and liquidity spreads had a positive effect on revaluations of other financial instruments of EUR 13 million (first half of 2023: EUR 3 million positive).

Consolidated total operating expenses increased by EUR 5 million to EUR 69 million in the first half year of 2024. This was mainly caused by an increase in staff costs as a result of CLA increases (1% as of 1 July 2023 and 4% as of 1 January 2024) and the increase in the number of internal employees from 423 as at mid-2023 to 481 as at 30 June 2024.

The result from impairment was EUR 12 million positive in the reporting period (first half of 2023: EUR 11 million positive). The total provisions for expected credit losses of the bank decreased by EUR 16 million to EUR 90 million in the first half of 2024, mainly due to the settlement of two loans (together EUR 13 million).

On 30 June 2024, the corporate income tax charge amounts to EUR 52 million. This is EUR 5 million higher than last year and is entirely attributable to higher profit before tax. BNG does not owe a contribution to the European Resolution Fund in 2024 (EUR 14 million in 2023) because the Resolution Fund achieved its target value. Additional payment by the European banks will only be required if a claim on the fund occurs.

Balance sheet developments

The balance sheet total increased by EUR 10.0 billion to EUR 125.6 billion in the first half of 2024, as more short-term liquidity was held than at year-end. The increase in long-term loans resulted in an increase of EUR 2.6 billion in the balance sheet item 'Loans and Advances' (short-term loans + EUR 0.2 billion). The increase of the balance sheet item 'Debt securities issued' by EUR 9.5 billion was mainly caused by the increase in short-term funding (+ EUR 7.4 billion). BNG's equity in the reporting period remained unchanged at EUR 4.7 billion, despite the dividend paid of EUR 120 million.

Furthermore, risk-weighted assets increased from EUR 9.6 billion to EUR 10.4 billion. The increase is mainly due to an adjustment of the solvency weighting of drinking water companies and network companies. The Common Equity Tier 1 ratio and the Bank's Tier 1 ratio declined because of this to 40% and 43% respectively (31-12-2023 43% and 46%

respectively). Due to the increase in the balance sheet total, the bank's leverage ratio decreased from 13.5% to 10.6% compared with year-end 2023. All of the bank’s capital and liquidity ratios remain well above the minimum levels set by the regulator.

Outlook

We are confident about the future in terms of lending, portfolio development and funding. The bank tax in 2024 is estimated at EUR 31 million. This is an increase of more than 40%, mainly due to a tariff increase.

Future market value adjustments and the development of impairments are by definition uncertain. As a consequence, the bank does not consider it wise to make a statement on the expected 2024 net profit.

3. High-impact financing in the first half of 2024

BNG would like to make an impact with the financing provided. A number of examples of this are given in this chapter.

Education
BNG increases credit facility for education cooperatives in Amersfoort

The funding to the educational cooperatives Samenfoort PO (primary education) and Samenfoort VO (secondary education) has been increased by more than EUR 100 million in total.

In this way, BNG wants to contribute to the realisation of sustainable, clean, multifunctional and future-proof school buildings in Amersfoort.

With this increase, it is possible to finance the investment planning of the coming years and to be able to meet the requirements and ambitions of BENG (*Bijna Energie Neutrale Gebouwen*/Almost Energy-Neutral Buildings) with gas-free as the baseline quality.

Funding educational institutions in order for them to renovate or improve their housing is important to BNG, as it allows us to contribute to social progress.

Public infrastructure & environment

New fermenter possible with financing from BNG

BNG offered waste company Omrin (Frisian for 'cycle') EUR 19 million in financing the first half of the year for the construction of a fourth fermentation installation.

Capacity expansion was necessary as more and more municipalities are joining Omrin. This new fermenter also contributes to even higher separation results and allows for additional production of approximately 5 million m^3 of biogas per year (total production up to a maximum of 25 million m^3 of biogas).

Omrin has opted for a 'dry' fermentation system, where no water is added. This technique has significant advantages and is more sustainable in use. This is reflected in the energy efficiency, the very low water intake and much less waste water. Dry fermenters also malfunction less and are less prone to maintenance.

With this financing, BNG is committing to renewable energy from residual waste.

Housing
De Alliantie is building sustainable mid-range rental homes

De Kreekvelden in Oosterwold is a sustainable neighbourhood surrounded by nature, where De Alliantie is building 102 mid-range rental homes in a sustainable manner.

These homes come in three-bedroom and four-bedroom single-family options, completely made from wood, and fitted with solar panels and an individual air heat pump. The houses are almost entirely produced in the timber factory and connected and further finished on site. Additional CO_2 is absorbed by building wood from sustainably managed forests.

Oosterwold is a nature area between Almere and Zeewolde that considers a green and sustainable living environment as paramount. De Kreekvelden is a good example of this: a natural creek flows through the neighbourhood and there is an urban beach. The urban beach also features a community centre where you can easily connect with local residents. There will furthermore be a joint vegetable garden and the neighbourhood is pedestrianised so that children can play outside safely together. The neighbourhood aims for a good mix of first-time homeowners, people trading up, families, dual-income households and seniors.

BNG is proud to have provided financing to De Alliantie Woonfonds BV in early 2024, through which, among other things, these mid-range rental homes were funded.

4. Organisational developments

BNG is a bank that helps its clients in the public domain to solve social issues since 1914. We support our clients with their green and social ambitions. Whether it concerns municipalities, housing associations, public companies, public infrastructure or healthcare and educational institutions, we work every day to finance organisations that provide a pleasant living environment in the Netherlands. Because investing in the Netherlands means investing in the future.

BNG bridges the gap between the capital market and the public sector. Our Triple-A status makes us a safe and attractive party for investors. We are a stable factor due to the liquidity of our bonds and favour sustainable partnerships based on ESG criteria.

BNG understands like no other the complexity of the challenges facing public organisations. Clients can count on us when it comes to loans at competitive rates with attractive conditions. This is how we challenge ourselves every day to make the Netherlands more beautiful and sustainable.

Corporate structure

BNG Bank is a statutory two-tier public limited company under Dutch law. The bank's shareholders are Dutch public authorities exclusively. Half of the shares are held by municipalities, provinces and a district water board. The Dutch State holds the other half of the shares. BNG is a bank of national systemic importance under the direct supervision of the ECB and its balance sheet total makes it the fourth-largest bank in the Netherlands. BNG has a two-tier governance structure consisting of a Supervisory Board and an Executive Committee (ExCo). The ExCo consists of five directors, three of whom are directors under the articles of association who jointly constitute the board under the articles of association. The ExCo is responsible for the day-to-day management, the general course of affairs and the continuity of BNG. The Supervisory Board's task is to monitor the policy of the ExCo and the general course of affairs in the company and its affiliated enterprise.

Strategy recalibration

Our strategy shows how we lend to our clients, how we serve clients, which colleagues we select to work with us and the way we organise our organisation. In order to fulfil our ambition, it is important to review our way of working and strategy from time to time. The recalibrated strategy was adopted at the end of 2023, with the bank's purpose remaining the same: BNG wants to make a social impact. Our ambition for 2024-2026 is: 'We aim to be the main lender in the public domain in order to make the Netherlands more social and sustainable.' In order to achieve this ambition, it is essential that we remain able to offer financing at the most competitive rates. After all, this is the primary way in which we add value for our clients. In addition, we are preparing for the future. A future in which the interaction between the client and the bank changes and a future in which we are proud of our improved performance and that of our clients in terms of ESG. Our ambition leads to the setting of our strategic goals for the next three years.

These include:
1. We offer clients loans at the most competitive rates, enabled by our competitive organisational and funding costs;
2. We are demonstrably sustainable;
3. We are a bank with a heart, focused on personal growth and cooperation.

In the first half of the year, the strategic analyses underlying the recalibrated strategy were examined. This has led to a reconfirmation of the strategic path taken by BNG.

Demonstrably sustainable

Sustainability is an important theme for BNG, in line with our purpose. We want to be demonstrably sustainable. A good example of this is the upgrade of the MSCI rating from 'A' to 'AA', which we received in June 2024. This is a result of our efforts to be among the leading ESG institutions in the peer group of 'Supranationals & Development Banks'. MSCI is one of the most important ESG rating agencies worldwide. Companies such as MSCI assess institutions on the basis of their ESG performance and risks, leading to so-called ESG ratings. ESG ratings have become increasingly important in recent years as investors increasingly focus on environmental, social and governance (ESG) risks and opportunities. BNG also receives unsolicited ESG ratings from other ESG rating agencies, such as Sustainalytics and ISS ESG.

In June, the double materiality analysis (DMA) was officially completed in consultation with the Exco and the Supervisory Board. For each of the chosen ESG themes, a working group has been set up to further develop the theme in terms of scope, impact, risks, opportunities, KPIs, objectives, and policies and actions to achieve those objectives.

> *If money can rule the world, it can also transform our world*

BNG – Bank of added value

During the VNG conference on 25 and 26 June 2024, 'Bank of added value' was introduced externally. This introduction included a new logo and a new corporate identity that matches the direction we choose as a bank. The house style change will be implemented in phases in 2024.

As BNG, we want to have a simple and inspiring story and speak a single clear language. This story is how we are giving new direction to the contribution that BNG makes to society. As a country, we face significant societal challenges. BNG is determined to make a positive contribution and deliver on these transitions. After all, if money can rule the world, it can also transform our world. Together with our clients, we want to spend money with impact. For we believe not only in financial value, but also in the value of greenery and happiness. ‘BNG – Bank of added value’

Progress of the Going Green Climate Plan

BNG supports its clients with funding to achieve their climate targets for the transition to a CO2e-neutral society and actively engages in this transition with its 'Going Green' climate plan. In April 2024, the Progress Report of this climate plan was published on our website . With this report, we provide insight into the progress made on the reduction targets for our own CO_2e emissions and those of our clients. We will also address the actions we took in 2023. We are pleased with the progress made, but we also realise that there is still a long way to go.

The scope 1 and 2 emissions of clients in the BNG loan portfolio fell by 9.5% in absolute terms in 2022[1] relative to 2021. Compared with the reference year 2018, this is a drop of 21.8%.

In order to gain insight into the level of CO_2e emissions required for BNG's four main client groups to remain in line with the Paris Climate Agreement, BNG uses the decarbonisation pathways developed by the Carbon Risk Real Estate Monitor (CRREM). Emissions from BNG's largest client group, housing associations, are still slightly above the required emissions per m^2 to be in line with the 1.5 ˚C scenario.

BNG takes full responsibility for the footprint of its own business operations. The bank is currently renovating its office building, which will soon be actively contributing to the environment. The completely gas-free building, which is scheduled for completion in 2026, will itself generate energy, will be better isolated and as many material as possible will be recycled during the demolition works. Emissions from BNG lease cars fell by 27% in 2023 compared with 2022.

Management changes
New CCO and CEO

Peter Nijsse joined BNG as Chief Commercial Officer (CCO) on 1 May 2024. Nijsse (1969) has worked at BNG Bank as Director of Treasury & Capital Markets since 2015. Before that, he worked at the Ministry of Finance for over 20 years, including three years at the International Monetary Fund in Washington DC. Prior to making the move to BNG Bank, Nijsse was a deputy director at the Dutch State Treasury Agency.

Gita Salden left BNG as Chief Executive Officer (CEO) at the end of May 2024 to join the Management Board of De Nederlandsche Bank (DNB) on 1 June. Salden has been the bank's CEO since 2018.

Olivier Labe, the bank's current Chief Financial Officer (CFO), was appointed acting CEO as of 1 June 2024. Due to these appointments, the Executive Committee currently consists of: Olivier Labe (CFO and acting CEO), Cindy van Atteveldt (Chief Risk Officer), Jaco van Goudswaard (Chief Operational Officer) and Peter Nijsse (CCO).

The selection procedure for the new CEO was completed in July 2024. On 1 October, Philippine Risch will become the new CEO. She has been appointed for a term of four years. Risch has had a long career in the financial sector. She spent 21 years at ING. In 2018 she became a partner at McKinsey & Company.

[1] Owing to the availability of data, we are one year behind in the emission calculation. The most recent year for which we can present our financed emissions is 2022.

New core values

As part of the repositioning of BNG, the core values have also changed, as, in order to be able to perform our role well, it is equally important that our core values mesh well with this process. The new core values are:

1. Connecting: By working together, we achieve our ambitions. We believe in the power of the collective. We have an open-minded attitude and actively seek contact with each other.
2. Expert: We respond to relevant trends and developments. We continue to develop our knowledge and expertise in order to arrive at smart solutions for the financing issues in the public domain.
3. Optimistic: We challenge ourselves every day to make the Netherlands more beautiful and sustainable. We think in possibilities.

Supervisory Board
Appointment of two new members

At the General Meeting of 25 April 2024, Marja Elsinga and Constant Korthout were appointed as new members of the Supervisory Board (SB) of BNG for a term of four years.

The appointment was made due to the departure of Jan van Rutte and Johan Conijn as Supervisory Board Members.We are grateful to both of them for the expertise and experience they have provided in recent years.

Marja Elsinga is a professor of Housing Institutions & Governance at the Faculty of Architecture at TU Delft. Constant Korthout served as Chief Financial & Risk Officer (CFRO) at Van Lanschot Kempen until 2022. He holds supervisory positions at various institutions. We are pleased that Marja Elsinga and Constant Korthout have been able to strengthen the Supervisory Board with their expertise and experience.

5. Declaration of responsibility

In the opinion of the statutory board, the Interim Report provides a true and fair view of the assets, liabilities, the financial position and the results of BNG and the subsidiaries included in the consolidation. The Interim Report provides a true and fair view of the position on the balance sheet date, the performance during the first half year and the expected developments of BNG and its consolidated subsidiaries, whose figures have been included in the consolidated Interim Report.

The Hague, 6 September 2024

Statutory board
Olivier Labe (acting CEO and CFO)
Cindy van Atteveldt-Machielsen (CRO)

6. Consolidated interim financial statements

Explanatory note

An unqualified independent auditor's report has been issued for the figures as at 31 December 2023 and for the 2023 financial year as a whole. Attached to this report an unqualified review report has been issued for the figures as at 30 June 2024 and for the first half of 2024. An unqualified review report has also been issued for the figures as at 30 June 2023 and for the first half of 2023.

Consolidated balance sheet

Amounts in millions of euros	NOTE	30-6-2024	31-12-2023
Assets			
Cash and balances held with central banks		11,530	1,617
Amounts due from banks		731	622
Cash collateral posted		3,493	4,751
Financial assets at fair value through the income statement		872	911
Derivatives		2,885	3,011
Financial assets at fair value through other comprehensive income		10,513	10,193
Interest-bearing securities at amortised cost		9,019	8,829
Loans and advances at amortised cost		93,133	90,497
Value adjustments on loans in portfolio hedge accounting		-6,883	-5,037
Associates and joint ventures		22	22
Property & equipment		16	15
Current tax assets		15	89
Other assets		211	18
Assets held for sale		2	2
Total assets		**125,559**	**115,540**

Amounts in millions of euros	NOTE	30-6-2024	31-12-2023
Liabilities			
Amounts due to banks		1,315	905
Cash collateral received		888	656
Financial liabilities at fair value through the income statement		240	260
Derivatives		5,087	6,363
Debt securities	1	105,854	96,344
Funds entrusted		7,175	5,997
Subordinated debts		19	18
Current tax liabilities		-	-
Deferred tax liabilities		23	19
Other liabilities		249	257
Total liabilities		**120,850**	**110,819**
Equity			
Share capital		139	139
Share premium reserve		6	6
Retained earnings		4,092	3,970
Revaluation reserve		-62	-8
Cash flow hedge reserve		10	6
Own credit adjustment		7	4
Cost of hedging reserve		50	41
Net profit		158	254
Equity attributable to shareholders		**4,400**	**4,412**
Additional Tier 1 capital		309	309
Total equity		**4,709**	**4,721**
Total liabilities and equity		**125,559**	**115,540**

Consolidated income statement

Amounts in millions of euros	NOTE	first half of 2024	first half of 2023[1]
• Interest revenue calculated using the effective interest method		3,021	2,180
• Other interest revenue		559	734
Total interest revenue		3,580	2,914
• Interest expenses calculated using the effective interest method		3,285	2,635
• Other interest expenses		37	33
Total interest expenses		3,322	2,668
Interest result	2	**258**	**246**
• Commission income		19	14
• Commission expenses		2	1
Commission result		**17**	**13**
Result on financial transactions	3	-8	-5
Results from associates and joint ventures		0	1
Other results		0	0
Total income		**267**	**255**

Amounts in millions of euros	NOTE	first half of 2024	first half of 2023[1]
Staff costs		47	41
Other administrative expenses		21	22
Depreciation		1	1
Other operating expenses		0	0
Total operating expenses		**69**	**64**
Net impairment losses on financial assets	4	-12	-11
Net impairment losses on associates and joint ventures		-	0
Contribution to resolution fund		-	14
Total other expenses		**-12**	**3**
Profit before tax		**210**	**188**
Income tax expense		52	47
Net profit		**158**	**141**
• of which attributable to the holders of Additional Tier 1 capital		12	14
• of which attributable to shareholders		146	127

1 *Presentation adjusted, see Accounting principles paragraph 'Changes in presentation of comparative figures'.*

Consolidated statement of comprehensive income

Amounts in millions of euros. All figures in the statement are after taxation.	**first half of 2024**	**first half of 2023**
Net profit	**158**	**141**
Recyclable results recognised directly in equity		
Changes in cash flow hedge reserve:		
• Unrealised value changes	4	-6
• Realised value changes transferred to the income statement	0	0
	4	-6
Changes in cost of hedging reserve:		
• Unrealised value changes	18	-20
• Realised value changes transferred to the income statement	-9	-6
	9	-26
Changes in the revaluation reserve for financial assets at fair value through other comprehensive income:		
• Unrealised value changes	-62	12
• Realised value changes transferred to the income statement	8	7
	-54	19
Total recyclable results	**-41**	**-13**
Non-recyclable results recognised directly in equity:		
• Change in fair value attributable to change in credit risk of financial liabilities designated at FVTPL	3	-1
Total non-recyclable results	**3**	**-1**
Results recognised directly in equity	**-38**	**-14**
Total	**120**	**127**
• of which attributable to the holders of Additional Tier 1 capital	12	14
• of which attributable to shareholders	108	113

Consolidated cash flow statement

Amounts in millions of euros	first half of 2024	first half of 2023
Cash flow from operating activities		
Profit before tax	210	188
Adjusted for:		
• Depreciation	1	1
• Impairments	-12	-11
• Unrealised results through the income statement	-1	21
Changes in operating assets and liabilities:		
• Changes in Amounts due from and due to banks (not due on demand)	276	649
• Changes in Cash collateral posted and received	2,343	-44
• Changes in Loans and advances	-1,798	967
• Changes in Funds entrusted	1,038	721
• Changes in Derivatives	212	406
• Corporate income tax paid	-31	-60
• Other changes from operating activities	192	178
Net cash flow from operating activities	**2,430**	**3,016**
Cash flow from investing activities		
Investments and acquisitions pertaining to:		
• Financial assets at fair value through the income statement	-2	-11
• Financial assets at fair value through other comprehensive income	-3,061	-3,140
• Interest-bearing securities at amortised cost	-977	-1,437
• Property & equipment	-1	-1
Disposals and redemptions pertaining to:		
• Financial assets at fair value through the income statement	34	123
• Financial assets at fair value through other comprehensive income	2,568	1,591
• Interest-bearing securities at amortised cost	782	451
• Investments in associates and joint ventures	-	1
Net cash flow from investing activities	**-657**	**-2,423**

Amounts in millions of euros	first half of 2024	first half of 2023
Cash flow from financing activities		
Amounts received on account of:		
• Financial liabilities at fair value through the income statement	42	-
• Debt securities	209,863	265,777
Amounts paid on account of:		
• Central bank financing (TLTRO)	-	-2,008
• Financial liabilities at fair value through the income statement	-56	-1
• Debt securities	-201,573	-250,339
• Subordinated debt	-15	-21
• Compensation on Additional Tier 1 capital	-120	-15
• Dividend distribution to shareholders	-	-139
Net cash flow from financing activities	**8,141**	**13,254**
Net change in cash and cash equivalents	**9,914**	**13,847**
Cash and cash equivalents as at 1 January	1,619	6,824
Cash and cash equivalents as at 30 June	**11,533**	**20,671**
Cash and cash equivalents as at 30 June:		
• Cash and balances held with central banks	11,530	20,668
• Cash equivalents in the Amount due from banks item	3	4
• Cash equivalents in the Amount due to banks item	-	-1
	11,533	**20,671**
Notes to cash flow from operating activities		
Interest income received	4,047	2,789
Interest expenses paid	-3,500	-2,078
	547	**711**

Consolidated statement of changes in equity

Amounts in millions of euros. All figures in the statement are after taxation.	Share capital	Share premium reserve	Revaluation reserve	Cashflow hedge reserve	Own credit adjustment	Cost of hedging reserve	Retained earnings	Un-appropriated profit	Equity attri-butable to share-holders	Addi-tional Tier 1 capital	Total
Balance as at 01/01/2024	**139**	**6**	**-8**	**6**	**4**	**41**	**3,970**	**254**	**4,412**	**309**	**4,721**
Total comprehensive income	-	-	-54	4	3	9	-	158	**120**	-	**120**
Repayments on Additional Tier 1 capital	-	-	-	-	-	-	-	-	**-**	-	**-**
Dividend distribution to the bank's shareholders	-	-	-	-	-	-	-120	-	**-120**	-	**-120**
Compensation to holders of Additional Tier 1 capital	-	-	-	-	-	-	-12	-	**-12**	-	**-12**
Appropriation from previous year's profit	-	-	-	-	-	-	254	-254	**-**	-	**-**
Balance as at 30/06/2024	**139**	**6**	**-62**	**10**	**7**	**50**	**4,092**	**158**	**4,400**	**309**	**4,709**

Amounts in millions of euros. All figures in the statement are after taxation.	Share capital	Share premium reserve	Revaluation reserve	Cashflow hedge reserve	Own credit adjustment	Cost of hedging reserve	Retained earnings	Un-appropriated profit	Equity attri-butable to share-holders	Addi-tional Tier 1 capital	Total
Balance as at 01/01/2023	**139**	**6**	**4**	**14**	**2**	**17**	**3,824**	**300**	**4,306**	**309**	**4,615**
Total comprehensive income	-	-	19	-6	-1	-26	-	141	**127**	-	**127**
Repayments on Additional Tier 1 capital	-	-	-	-	-	-	-	-	**-**		**-**
Dividend distribution to the bank's shareholders	-	-	-	-	-	-	-139	-	**-139**	-	**-139**
Compensation to holders of Additional Tier 1 capital	-	-	-	-	-	-	-13	-	**-13**	-	**-13**
Appropriation from previous year's profit	-	-	-	-	-	-	300	-300	**-**	-	**-**
Balance as at 30/06/2023	**139**	**6**	**23**	**8**	**1**	**-9**	**3,972**	**141**	**4,281**	**309**	**4,590**

Accounting principles for the consolidated interim financial statements

General company information

BNG Bank N.V. (herafter: "BNG") is a statutory two-tier company under Dutch law. The bank focuses on the public domain and on increasing its social impact. Half of the bank's share capital is held by the Dutch State and the other half by municipal authorities, provincial authorities and a district water board. BNG has its registered office at Bordewijklaan 18, The Hague (listed under Chamber of Commerce number 27008387) in The Netherlands and has no branch offices.

Applicable laws and regulations

The Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union (EU).

These Interim Financial Statements do not include all the information and disclosures required in the Consolidated Financial Statements and should be read in conjunction with the 2023 Consolidated Financial Statements of BNG, which were prepared in accordance with the IFRS as adopted by the EU and the applicable articles of Part 9 of Book 2 of the Dutch Civil Code. The accounting policies used in this report are consistent with those set out in the notes to the 2023 Consolidated Financial Statements of BNG, except for the changes in accounting policies as described in the section Applied accounting standards adopted by the EU effective on or after 1 January 2024.

In general, BNG does not apply new or amended standards and interpretations issued by the IASB if they have not been adopted by the EU. BNG has, in principle, also decided against the early application of the amended standards and interpretations adopted by the EU, whose application is mandatory for the financial years beginning after 1 January 2024.

Application of the following new or amended standards, interpretations and improvements has not led to significant adjustments in this 2024 Interim Report in respect of valuation, the determination of the result and the disclosures of the bank.

Applied accounting standards adopted by the EU effective on or after 1 January 2024

- Amendments to IFRS 16 Leases: Lease Liability in as Sale and Leaseback: issued by the IASB on 22 september 2022 and is endorsed by the EU on 20 November 2023. These amendments are effective as per 1 January 2024. There is no impact on the financial statements because BNG does not have any sale and leaseback constructions.
- Amendments to IAS 1 Presentation of Financial Statements: issued by the IASB on 31 October 2022 and is endorsed by the EU on 19 December 2023. These amendments are effective as per 1 January 2024. The impact on the financial statements is limited.
- Amendments to IAS 17 Statement of Cash Flows and IFRS 7 Financial Instruments: issued by the IASB on 25 May 2023 and is endorsed by the EU on 15 May 2024. These amendments are effective as per 1 January 2024. The impact on the financial statements is limited, because the amendments are subjected to supplier finance arrangements.

Accounting standards not yet adopted by the EU which are not yet applied

There are no other standards that are not yet effective that are expected to have material impact on the bank in the current or future reporting periods and on foreseeable transactions.

Critical accounting principles applied for valuation and the determination of the result

The Interim Report is prepared on the basis of the going-concern principle. Most balance sheet items are measured at amortised cost. The balance sheet items Financial assets at fair value through the income statement, Financial assets at fair value through other comprehensive income, Derivatives and Financial liabilities at fair value through the profit and loss are measured at fair value. The balance sheet item Associates and joint ventures is stated according to the equity method. The balance sheet item Property & equipment is stated at cost less accumulated depreciation. Income is recognised if it is likely that the economic benefits will accrue to BNG and the income can be reliably determined. Expenses are allocated where possible to the period in which the services were provided or to the related income counterbalancing these expenses. For a detailed description, please refer to the accounting principles for the individual balance sheet items.

The euro is the functional and reporting currency used by BNG. All amounts in the consolidated financial statements are stated in millions of euros, unless stated otherwise.

Accounting principles for consolidation

The Interim Financial Statements of the parent company and its subsidiary, which is used to prepare the Interim Financial Statements, is drawn up on the same reporting date and based on the same uniform principles. All intra-group transactions and balances, including income, expenses and dividends, have been fully eliminated in the Interim Financial Statements. The reporting periods of subsidiary included in the consolidation coincide with those of BNG.

These Interim Financial Statements comprise the interim figures of the parent company and the subsidiary over which BNG has control. Control exists if BNG is exposed as an investor to variable returns due to its involvement and can influence these returns by exercising power over the relevant activities of the investment. Group companies are consolidated in full from the date control has been acquired until such time as control ceases to exist. In determining whether BNG has control over investment funds in which it holds units or shares, the financial interests held by BNG as a participant are taken into consideration.

Changes in presentation of comparative figures

The presentation of financial results in the consolidated income statement in relation to derivatives was changed in 2024 to provide better insights in the drivers underpinning the line-item Result on financial transactions in the consolidated income statement. The new presentation is applied retrospectively to the Consolidated Income Statement as of 30 June 2023 and the impact was a net profit neutral adjustment from Interest revenue to Result on Financial Transactions. A decrease of EUR 24 million in Interest revenue and a decrease of EUR 1 million Interest expenses on Derivatives involved in hedge accounting resulted in an increase of EUR 24 million Result on hedge accounting for portfolio hedging and EUR 1 million decrease for micro hedging respectively.

Impact of events on the Interim Financial Statements

In 2024, BNG’s excellent capital and liquidity position continued to contribute to the bank’s ability to provide public domain clients with funding at competitive rates. The main driver behind our net profit is the net result on interest. Compared to last year, net profits are primarily higher due to the increase in interest result and the absence of further contribution to the Resolution fund. Throughout the year, BNG monitors the credit worthiness developments in the various sector we operate in and whether clients are experiencing financial difficulties. Although we remain wary of the healthcare sector we have decided to drop the overlay. After a thorough evaluation of the sector, we have concluded that our models currently reflect the situation of the healthcare sector. The creditworthiness of BNG’s portfolio is high, we refer to the directors' report for a further description of the consequences for clients of BNG.

If relevant, further details of the impact on significant estimates and methods used is provided in the relevant notes.

Segmented information

When deciding on the deployment of resources and performance measurement, BNG distinguishes between lending activities and area development activities. In the management and set-up of its lending operations, BNG does not distinguish between different segments or business units. The bank’s area development activities are not material compared to its lending activities. Therefore, no segmented information is included in this Interim Report.

Dividend

For the financial year 2023 a dividend of EUR 120 million was proposed to the General Meeting of Shareholders and was paid on 26 April 2024.
The compensation of EUR 12 million to the holders of Additional Tier 1 capital was distributed in the first half of 2024. This distribution is deductible from corporate income tax. BNG has no plans to pay out an interim dividend on the result for the first half of 2024.

Notes to the consolidated interim financial statements

1. Debt securities

In the first half of 2024 debt securities increased by EUR 9.5 billion to EUR 105.9 billion. This is mainly due to a EUR 2.2 billion increase in long-term funding and a EUR 7.3 billion increase in short-term funding (in the form of Commercial Paper).

With regard to its long-term funding activities, BNG issued EUR 12.3 billion of long-term debt securities in the first half of 2024 (first half of 2023: EUR 11.2 billion). The total redemption value of long-term debt securities amounted to EUR 9.7 billion in the reporting period (first half of 2023: EUR 7.9 billion).

2. Interest result

	first half of 2024	first half of 2023[1]
Interest revenue		
Interest revenue calculated by using the effective interest method:		
• Financial assets at amortised cost	1,345	1,113
• Financial assets at fair value through other comprehensive income	119	70
• Derivatives involved in hedge accounting	1,547	983
• Interest revenue on financial liabilities	10	14
	3,021	2,180
Other interest revenue:		
• Financial assets designated at fair value through the income statement	20	24
• Financial assets mandatory at fair value through the income statement	1	1
• Derivatives not involved in hedge accounting	94	216
• Other	444	493
	559	734
Total interest revenue	**3,580**	**2,914**

	first half of 2024	first half of 2023[1]
Interest expenses		
Interest expenses calculated by using the effective interest method:		
• Financial liabilities at amortised cost	1,605	1,493
• Derivatives involved in hedge accounting	1,634	1,130
• Interest expenses on financial assets	46	12
	3,285	2,635
Other interest expenses		
• Financial liabilities designated at fair value through the income statement	5	4
• Derivatives not involved in hedge accounting	25	23
• Other	7	6
	37	33
Total interest expenses	**3,322**	**2,668**
Total interest result	**258**	**246**

1 *Presentation adjusted, see Accounting principles paragraph 'Changes in presentation of comparative figures'.*

3. Result on financial transactions

The table below presents a breakdown of the result on financial transactions into realised and unrealised market value changes.

	first half of 2024	first half of 2023[1]
Market value changes in financial assets at fair value through the income statement resulting from changes in credit and liquidity spreads, consisting of:		
• Interest-bearing securities	-2	-5
• Structured loans	-3	-5
	-5	-10
Result on hedge accounting		
• Portfolio fair value hedge accounting	3	49
• Micro fair value hedge accounting	-10	-41
• Micro cash flow hedge accounting	0	0
	-7	8
Change in counterparty credit risk of derivatives (CVA/DVA)	1	2
Realised sales and buy-out results	-9	-6
Other market value changes	12	1
Total	**-8**	**-5**

1 *Presentation adjusted, see Accounting principles paragraph 'Changes in presentation of comparative figures'.*

The results on financial transactions was EUR 8 million negative in the first half of 2024 (first half of 2023: EUR 5 million negative). The result on changes in credit- and liquidity spreads of interest bearing securities and structured loans amounted to EUR 5 million negative (first half of 2023: EUR 10 million negative). Market developments led to a result on hedge accounting of EUR 7 million negative (first half of 2023: EUR 8 million positive). The realised sales and buy-out results in the liquidity portfolio amounted to EUR 9 million negative in the first half of 2024 (first half of 2023: EUR 6 million negative). Other market developments and lower credit- and liquidity spreads led to a positive result of EUR 13 million on the valuation of other financial instruments (first half of 2023: EUR 3 million positive).

4. Impairments on financial assets and off-balance sheet commitments

Breakdown of financial assets and off-balance sheet commitments into impairment stages

The following tables provide a breakdown of the financial assets and off-balance sheet commitments subject to impairment into the 3 impairment stages:

Stage 1: performing exposures without significant increase in credit risk since initial recognition.

Stage 2: performing exposures with significant increase in credit risk since initial recognition.

Stage 3: non-performing exposures.

30-6-2024

		Gross carrying amount			Allowance for credit loss		
	Carrying amount	Performing		Non-performing	Performing		Non-performing
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets subject to impairment							
Cash and balances held with central banks	11,530	11,530	-	-	-	-	-
Amounts due from banks	731	731	-	-	0	-	-
Cash collateral posted	3,493	3,493	-	-	-	-	-
Financial assets at fair value through other comprehensive income[1]	10,513	10,513	-	-	0	-	-
Interest-bearing securities at amortised cost	9,019	9,019	-	-	0	-	-
Loans and advances at amortised cost	93,133	92,022	618	582	-4	-9	-76
Total	**128,419**	**127,308**	**618**	**582**	**-4**	**-9**	**-76**

1 *The allowance for credit loss for financial assets at FVOCI is included in OCI and not in the (net) carrying amount.*

30-6-2024

	Nominal amount			Provision		
	Performing		**Non-performing**	**Performing**		**Non-performing**
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Off-balance sheet commitments						
Contingent liabilities	484	0	7	0	0	-1
Revocable facilities	5,510	79	40	-	-	-
Irrevocable facilities	3,527	0	0	0	-	-
Total	**9,521**	**79**	**47**	**0**	**0**	**-1**

31-12-2023

		Gross carrying amount			Allowance for credit loss		
	Carrying amount	**Performing**		**Non-performing**	**Performing**		**Non-performing**
		Stage 1	Stage 2	Stage 3	Stage	Stage 2	Stage 3
Financial assets subject to impairment							
Cash and balances held with central banks	1,617	1,617	-	-	-	-	-
Amounts due from banks	622	622	0	0	0	-	-
Cash collateral posted	4,751	4,751	-	-	-	-	-
Financial assets at fair value through other comprehensive income[1]	10,193	10,193	0	-	0	-	-
Interest-bearing securities at amortised cost	8,829	8,769	61	-	0	-1	-
Loans and advances at amortised cost	90,497	88,802	1,195	599	-6	-13	-80
Total	**116,509**	**114,754**	**1,256**	**599**	**-6**	**-14**	**-80**

1 *The allowance for credit loss for financial assets at FVOCI is included in OCI and not in the (net) carrying amount.*

31-12-2023

	Nominal amount			Provision		
	Performing		Non-performing	Performing		Non-performing
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Off-balance sheet commitments						
Contingent liabilities	474	3	1	-	-	-1
Revocable facilities	5,892	147	78	-	-	-2
Irrevocable facilities	3,937	10	12	-	-1	-2
Total	**10,303**	**160**	**91**	**0**	**-1**	**-5**

Non-performing exposures totalled EUR 582 million as per 30 June 2024 (year-end 2023: EUR 599 million). The share of non-performing exposures in the total portfolio is 0.5% (year-end 2023: 0.5%) and concerns 26 debtors (year-end 2023: 26 debtors). BNG Bank has received government guarantees totalling EUR 296 million (year-end 2023: EUR 382 million) with respect to non-performing exposures. The following table shows the development of non-performing exposures.

	First half of 2024	2023
Total non-performing exposure as at 1 January	**598**	**848**
Increase in existing non-performing exposures	10	10
Shift from performing to non-performing exposure	64	30
Shift from non-performing to performing exposure	-41	-120
Repayments on and settlement of non-performing exposure	-40	-127
Write-off	-9	-43
Total non-performing exposure as at end of period	**582**	**598**

Movements in allowances and provisions for expected credit losses

The following tables show the movements in allowances for expected credit losses for financial assets and the provision for expected credit losses for off-balance sheet commitments.

first half of 2024

	Opening balance	Increases due to origination and acquisition	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease in allowance account due to write-offs	Closing balance
Allowances						
Cash and balances held with central banks	-	-	-	-	-	-
Amounts due from banks	0	0	0	0	-	0
Financial assets at fair value through other comprehensive income	0	0	0	0	-	0
Interest-bearing securities at amortised cost	1	0	0	-1	-	0
Loans and advances at amortised cost	99	2	-5	2	-9	89
	100	**2**	**-5**	**1**	**-9**	**89**
Provision						
Off-balance sheet commitments	6	0	0	-5	0	1

first half of 2023

	Opening balance	Increases due to origination and acquisition	Decrease due to derecognition repayments and disposals	Changes due to change in credit risk (net)	Decrease in allowance account due to write-offs	Closing balance
Allowances						
Cash and balances held with central banks	-	-	-	-	-	-
Amounts due from banks	0	-	-	0	-	0
Financial assets at fair value through other comprehensive income	0	0	0	0	-	0
Interest-bearing securities at amortised cost	2	0	0	0	-	2
Loans and advances at amortised cost	158	1	-3	2	-43	115
	160	**1**	**-3**	**2**	**-43**	**117**
Provision						
Off-balance sheet commitments	3	-1	0	1	-	3

Modifications of contractual cash flows

During the first half of 2024, no contractual cash flows of financial assets with a loss allowance based on lifetime expected credit loss (i.e. stage 2 or 3) have been modified. In the first half of 2024, financial assets including forbearance measures have not been moved from stage 2 to stage 1.

Key inputs and assumptions

The Expected Credit Loss (ECL) of a financial asset is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk (SICR) has occurred. The total ECL is a discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Probability of default

PDs are used as a key component in the determination of ECLs and SICR. BNG has developed PD-models, largely based on expert judgements, for exposures for which no external rating is available. To ensure IFRS 9 compliance and so-called 'point-in-time' PDs, the bank developed overlay models that include forward-looking information (FLI). For staging purposes, credit ratings are used which are adjusted for FLI. BNG applies three externally developed scenario's based on economic forecasts created by Moody's Analytics. The economic forecasts are rigorously tested on their accuracy and contain similar scenario's compared to BNG's previous internal methods.

Loss given default

Because of its low default credit portfolio and the lack of historical internal LGD data, BNG is not able to create LGD models. Therefore, BNG applies a basic flat LGD approach, with four different LGD percentages for its entire exposure:

- 0% for exposures granted to or guaranteed by (Dutch) central or regional governments;
- 10% for government bonds issued by central or regional governments in the EU;
- 35% for exposure without a guarantee of a central or regional government and senior unsecured bonds; and
- 75% for subordinated loans.

Exposure at default

The EAD for loans and for interest-bearing securities (excluding securitisations) is based on contractual repayments owed by the obligor over a 12-month or lifetime period. Voluntary repayments or early redemptions are not taken into account, as these are historically infrequent. For securitisations, the future contractual repayments are based on estimated Constant Prepayment Rates which are derived from external sources. In case of committed (off-balance sheet) facilities, the maximum exposure is adjusted in order to reflect the expected drawdown behaviour for either a 12-month or lifetime period (in accordance with the impairment stage).

Significant increase in credit risk

BNG applies the Point-in-Time PD, which is adjusted for FLI, as an input parameter for the assessment of significant changes in credit risk since recognition. In addition, the bank uses forbearance measures as well as a 30-day past-due period as backstop criteria to determine a SICR. On the other hand, the bank also applies a low credit risk exemption for monitoring significant changes in credit risk since recognition. In this case, an impairment is measured using the 12-month ECL, without determining if a SICR has occurred. BNG will consider financial assets with an investment grade rating to be of 'low credit risk'. For bonds, BNG considers a BBB– or higher to be an investment grade.

With regards to loans, the bank uses its internal counterparty credit rating to determine whether it is investment grade. Internal counterparty credit ratings are derived from a number of market sector specific internal rating models, which have been externally validated.

BNG applies an expert judgement approach when determining the stage 3 impairment figures. The approach is performed on an instrument level by the Financial Restructuring & Recovery department.

Forward-looking macroeconomic information

Historic analysis are performed to identify the key macroeconomic variables. In the first half of 2024 these analyses have been executed in more depth. The method has been improved, such as including the Government bond scenarios, and new macroeconomic variables have been determined. The factors are stated in the table below. Due to improved macroeconomic environments the weightings of the three scenarios have been adjusted compared to the 2023 weightings. The historic analyses are provided on a quarterly basis. Expert judgement is applied and approved by the Asset and Liability Committee (ALCO).

As per June 2024 the healthcare overlay, which was first applied in 2022, is no longer present. After a thorough evaluation of the sector, we have concluded that our models currently reflect the situation of the healthcare sector.

Government Bonds

Macroeconomic variable	**Horizon as at 30-06-2024**	**Horizon as at 31-12-2023**
Average CDS spread of 5 European governments	3 years	-
Scenario	**Weighting as at 30-06-2024**	**Weighting as at 31-12-2023**
Base scenario	46%	-
Upward scenario	27%	-
Downward scenario	27%	-

Securitisations

Macroeconomic variable	**Horizon as at 30-06-2024**	**Horizon as at 31-12-2023**
Purchasing power parity conversion factor to official exchange ratio (Eurozone)	3 years	3 years
Unemployment Rate (Eurozone)	3 years	3 years
Real net exports of goods and services (Eurozone)	3 years	3 years
Scenario	**Weighting as at 30-06-2024**	**Weighting as at 31-12-2023**
Base scenario	46%	75%
Upward scenario	27%	10%
Downward scenario	27%	15%

Lending

Macroeconomic variable	Horizon as at 30-06-2024	Horizon as at 31-12-2023
Non-accelerating inflation rate of unemployment (NL)	3 years	3 years
Interest rate on government bonds 30y (NL)	3 years	3 years
Compensation of employees (NL)	3 years	3 years
Scenario	**Weighting as at 30-06-2024**	**Weighting as at 31-12-2023**
Base scenario	46%	75%
Upward scenario	27%	10%
Downward scenario	27%	15%

Non-performing exposures

BNG defines a financial instrument as in default, which is fully aligned with its definition of non-performing, when it meets one of the following criteria:

- BNG considers that the obligor is unlikely to pay its credit obligations to the bank; and
- the obligor is past due 90 days or more on any material credit obligation to the bank.

The bank employs the following indicators for 'Unlikeliness to pay':

- the obligor's source of income is considered insufficient to meet its payment obligations;
- there are indications that future cash flows are under pressure;
- the obligor's debt ratio has increased significantly;
- one or more covenants have been breached;
- BNG has called upon a guarantee or seized collateral;
- significant delayed payments to other creditors (recorded in a register);
- there is a crisis in the obligor's market sector, in which the obligor is considered to be a weak party;
- the obligor can no longer be active in its market sector because of its financial difficulties; and
- another creditor has filed for the obligor's bankruptcy.

Sensitivity analysis of credit loss allowances

In order to measure the sensitivity of the credit loss allowances to changes in the input factors, different scenarios are determined to (re)calculate the size of the credit loss allowances.

Scenario A:

In scenario A, the credit rating of all individual exposures subject to impairment are downgraded by 1 notch (e.g. from AAA to AA+). These (lower) credit ratings, as well as the accompanying PDs, are then applied in the staging assessment and the calculation of the credit loss allowances. As a result, a portion of the exposures migrated from stage 1 to stage 2. The EADs and LGDs are unchanged compared with the base line calculation.

Scenario B:

In scenario B, the exposures which normally have an LGD of 0% are assigned a 10% LGD. The LGD of exposures that are normally assigned a 10%, 35% or 75% LGD remain unchanged. The EADs, credit ratings and PDs are also unchanged compared with the base line calculation.

Scenario C:

In scenario C, the calculation of the credit loss allowances is performed using 'Through-the-Cycle' PDs rather than Point-in-Time PDs. In other words, PDs without incorporation of forward-looking macroeconomic information are used in the calculation. The EADs, credit ratings, stage levels and LGDs are unchanged compared with the base line calculation.

The following table shows the sensitivity of the total credit loss allowances of 3 scenarios:

30-6-2024

	Actual Balance	Scenario A (1 notch down)	Scenario B (LGD from 0% to 10%)	Scenario C (through-the-cycle PDs)
Allowances				
Cash and balances held with central banks	-	-	-	-
Amounts due from banks	0	-	-	-
Financial assets at fair value through other comprehensive income	0	-	-	-
Interest-bearing securities at amortised cost	0	-	-	-
Loans and advances at amortised cost	89	96	98	96
	89	**96**	**98**	**96**
Provision				
Off-balance sheet commitments	1	1	1	1

31-12-2023

	Actual Balance	Scenario A (1 notch down)	Scenario B (LGD from 0% to 10%)	Scenario C (through-the-cycle PDs)
Allowances				
Cash and balances held with central banks	-	-	-	-
Amounts due from banks	0	0	0	0
Financial assets at fair value through other comprehensive income	0	0	0	0
Interest-bearing securities at amortised cost	1	2	1	1
Loans and advances at amortised cost	99	101	117	111
	100	**103**	**118**	**112**
Provision				
Off-balance sheet commitments	6	5	5	5

5. Breakdown of financial instruments by category

30-6-2024

	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Cash and balances held with central banks	11,530	-	-	11,530
Amounts due from banks	731	-	-	731
Cash collateral posted	3,493	-	-	3,493
Financial assets at fair value through the income statement	-	872	-	872
Derivatives	-	2,885	-	2,885
Financial assets at fair value through other comprehensive income	-	-	10,513	10,513
Interest-bearing securities	9,019	-	-	9,019
Loans and advances	93,133	-	-	93,133
Value adjustments on loans in portfolio hedge accounting	-6,883	-	-	-6,883
Total assets	**111,023**	**3,757**	**10,513**	**125,293**
Amounts due to banks	1,315	-	-	1,315
Cash collateral received	888	-	-	888
Financial liabilities at fair value through the income statement	-	240	-	240
Derivatives	-	5,087	-	5,087
Debt securities	105,854	-	-	105,854
Funds entrusted	7,175	-	-	7,175
Subordinated debt	19	-	-	19
Total liabilities	**115,251**	**5,327**	**-**	**120,578**

31-12-2023

	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
Cash and balances held with central banks	1,617	-	-	1,617
Amounts due from banks	622	-	-	622
Cash collateral posted	4,751	-	-	4,751
Financial assets at fair value through the income statement	-	911	-	911
Derivatives	-	3,011	-	3,011
Financial assets at fair value through other comprehensive income	-	-	10,193	10,193
Interest-bearing securities	8,829	-	-	8,829
Loans and advances	90,497	-	-	90,497
Value adjustments on loans in portfolio hedge accounting	-5,037	-	-	-5,037
Total assets	**101,279**	**3,922**	**10,193**	**115,394**
Amounts due to banks	905	-	-	905
Cash collateral received	656	-	-	656
Financial liabilities at fair value through the income statement	-	260	-	260
Derivatives	-	6,363	-	6,363
Debt securities	96,344	-	-	96,344
Funds entrusted	5,997	-	-	5,997
Subordinated debt	18	-	-	18
Total liabilities	**103,920**	**6,623**	**-**	**110,543**

6. Fair value of financial instruments

The fair value is the transfer price (not adjusted for transaction costs) which, regardless of the intention or capability, would be received if an asset was sold or the price which would be paid if a liability was transferred in an orderly transaction between market participants at the measurement date under the current market conditions. The assumption is that the valuation must be viewed from the perspective of market parties, whereby only the specific characteristics and limitations of the financial instrument are taken into consideration. A distinction is made between three levels of fair value, with the nature of the input factors and their significance for the total valuation being decisive for the correct classification in the hierarchy.

Fair value hierarchy

- **Level 1:** valuation based on (unadjusted) quoted market prices of the instrument itself or, if unavailable, of identical instruments, in an active market. A financial instrument is regarded as quoted in an active market if the quoted price is regularly available, and if these prices reflect current and regularly occurring arm's length market transactions. The quoted market prices for financial assets and liabilities are based on mid-market prices.
- **Level 2:** valuation based on a valuation technique using directly/indirectly observable market data other than quoted market prices as used at Level 1. This category includes instruments with a valuation that uses quoted prices in an active market for comparable instruments, quoted prices for identical or comparable instruments in markets deemed to be less than active or other valuation techniques whereby all significant input variables are directly or indirectly observable from market data.
- **Level 3:** valuation based on valuation techniques that make significant use of input data that are not publicly observable in the market. This category includes instruments with a valuation technique that uses input variables that are not based on observable market data and whereby the non-observable market data significantly influences the valuation of the instrument. This category also includes the instruments valued in accordance with the quoted prices for comparable instruments whereby significant not publicly observable changes or presumptions are necessary for expressing the differences between the instruments.

Where possible, BNG uses quoted market prices (Level 1) for determining pricing- and funding curves. BNG uses mid-market prices for valuation purposes. Using mid-market prices is permitted if the market risk of the financial assets and liabilities is offset.

In many cases, the bank is reliant on theoretical valuations (Level 2) in respect of its debtors. In such cases, the fair value is determined based on valuation models and techniques that are customarily used in the financial sector. These are mostly models based on net present value calculations and option pricing models. The input for these models is based on direct or indirect objectively observable input data, such as market prices, forward pricing, market-based yield curves for discounting, correlations, volatilities, cross-currency basis spreads, counterparty creditworthiness and other factors, estimates and assumptions which market parties would use to determine the price. The bank uses so-called spread curves to determine the fair value of financial instruments that involve credit and liquidity risk and for which a theoretical valuation is required. These spread curves are constructed based on the relevant interest rate curve and a spread for credit and liquidity risk. The credit risk spread is dependent on the creditworthiness of the debtor, taking into account the collateral received, guarantees and maturities. The liquidity risk spread depends on the degree of marketability of the instrument. The risk profiles of individual clients and financial instruments are assessed at least once per quarter. If necessary, the credit-risk spread will be adjusted.

In a limited number of cases, the valuation of the bank's financial instruments is based to a significant extent on input data and management estimates which are not observable in the market (Level 3).

In determining the fair value of derivative transactions, a credit valuation adjustment (CVA) and a debit valuation adjustment (DVA) are applied to all derivative transactions with all clients and financial counterparties with which the bank does not have an agreement for the daily exchange of collateral. CVA and DVA are also applied to all derivative transactions with clients or counterparties with which the bank has an agreement for the daily exchange of collateral but where significant thresholds are applicable in determining the collateral amount.

The bank applies a spread over the relevant swap curve to determine its own credit risk: the 'own credit adjustment (OCA)'. The OCA only relates to instruments included under Financial liabilities at fair value through the income statement.

Insofar as financial instruments have the character of a forward contract, official forward prices are used, including forward yield curves and forward exchange rates. In the case of complex instruments, the constituent parts of the instrument are measured separately on the basis of the above techniques and models. The fair value of the entire instrument is determined as the sum of the fair values of its constituent parts. BNG applies only recurring fair values, which are measured on an ongoing basis for processing in the financial position at the end of each reporting period.

	30-6-2024		31-12-2023	
	Balance sheet-value	**Fair value**	**Balance sheet-value**	**Fair value**
Cash and balances held with central banks	11,530	11,530	1,617	1,617
Amounts due from banks	731	746	622	635
Cash collateral posted	3,493	3,493	4,751	4,751
Financial assets at fair value through the income statement	872	872	911	911
Derivatives	2,885	2,885	3,011	3,011
Financial assets at fair value through other comprehensive income	10,513	10,513	10,193	10,193
Interest-bearing securities at amortised cost	9,019	8,854	8,829	8,709
Loans and advances at amortised cost	93,133	84,813	90,497	84,428
Total financial assets	**132,176**	**123,706**	**120,431**	**114,255**
Amounts due to banks	1,315	1,300	905	892
Cash collateral received	888	888	656	656
Financial liabilities at fair value through the income statement	240	240	260	260
Derivatives	5,087	5,087	6,363	6,363
Debt securities	105,854	104,956	96,344	95,501
Funds entrusted	7,175	7,196	5,997	6,043
Subordinated debt	19	20	18	20
Total financial liabilities	**120,578**	**119,687**	**110,543**	**109,735**

When effecting a transaction, the hierarchical classification of fair value is determined based on the relevant characteristics of the valuation, with the nature of the input factors and their significance for the total valuation being decisive for the classification. The classification takes place based on the lowest input level that is significant for the fair value in the transaction as a whole.

Significance is assessed by determining the influence of non-observable input factors on the outcome of the total valuation, with due regard for the range of possible alternative assumptions concerning those non-observable input factors. Each quarter, the hierarchical classification of each transaction is assessed and adjusted where necessary. The table below provides an overview of the fair value hierarchy for transactions recognised at fair value.

30-6-2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through the income statement	58	805	9	872
Derivatives	0	2,885	-	2,885
Financial assets at fair value through other comprehensive income	10,434	79	-	10,513
Total financial assets	**10,492**	**3,769**	**9**	**14,270**
Financial liabilities at fair value through the income statement	-	240	-	240
Derivatives	-	5,087	-	5,087
Total financial liabilities	**-**	**5,327**	**-**	**5,327**

31-12-2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the income statement	62	840	9	911
Derivatives	-	3,011	-	3,011
Financial assets at fair value through other comprehensive income	10,114	79	-	10,193
Total financial assets	**10,176**	**3,930**	**9**	**14,115**
Financial liabilities at fair value through the income statement	117	143	-	260
Derivatives	-	6,363	-	6,363
Total financial liabilities	**117**	**6,506**	**-**	**6,623**

As per 30 June 2024 one asset is classified under Level 3. This is a subordinated loan where the interest rate risk has been hedged with a swap. This is a structured interest-bearing security that is rarely traded in the market. Therefore, the observable market data available for similar securities is not fully representative of the current fair value. The fair value of this transaction is determined on the basis of public market data that is adjusted using significant input variables not publicly observable in the market.

Due to less available market data input points, we reclassified one liability from Level 1 to Level 2, per 30 June 2024.

Fair value hierarchy of amortised cost transactions

The table below provides an overview of the way in which the fair value is determined for transactions recognised at amortised cost in the balance sheet.

The financial assets at amortised cost under Level 3 mainly relate to loans and advances subject to capital requirements to BNG's statutory clients. Loans and advances to statutory counterparties under government guarantees are included in Level 2, because of the strong correlation with bonds issued by the Dutch State. The financial liabilities at amortised cost under Level 1 in the Debt securities item relate to negotiable benchmark bonds issued by BNG. Private loans are classified as Level 3 in the Funds entrusted item.

30-6-2024

	Level 1	Level 2	Level 3	Total
Cash and balances held with central banks	126	11,404	-	11,530
Amounts due from banks	3	742	1	746
Cash collateral posted	-	3,493	-	3,493
Interest-bearing securities at amortised cost	3,125	5,487	242	8,854
Loans and advances	354	77,324	7,135	84,813
Total financial assets	**3,608**	**98,450**	**7,378**	**109,436**
Amounts due to banks	-	1,300	-	1,300
Cash collateral received	-	888	-	888
Debt securities	84,478	20,478	-	104,956
Funds entrusted	3,890	2,922	384	7,196
Subordinated debt	-	20	-	20
Total financial liabilities	**88,368**	**25,608**	**384**	**114,360**

31-12-2023

	Level 1	Level 2	Level 3	Total
Cash and balances held with central banks	1,617	-	-	1,617
Amounts due from banks	2	631	2	635
Cash collateral posted	-	4,751	-	4,751
Interest-bearing securities at amortised cost	2,488	5,974	247	8,709
Loans and advances at amortised cost	463	76,609	7,356	84,428
Total financial assets	**4,570**	**87,965**	**7,605**	**100,140**
Amounts due to banks	1	891	-	892
Cash collateral received	-	656	-	656
Debt securities	81,782	13,719	-	95,501
Funds entrusted	3,708	1,915	420	6,043
Subordinated debt	-	20	-	20
Total financial liabilities	**85,491**	**17,201**	**420**	**103,112**

7. Credit risk

Forborne exposures

Forbearance concerns credit agreements for which the credit conditions have been amended in the debtor's favour because of the debtor's precarious financial position, so as to enable it to fulfil its obligations.

30-6-2024		Of which: Forborne		
	Total exposure	Gross of impairment	Net of impairment	**in % of total**
Financial assets (excl. derivatives)				
Cash and balances held with central banks	11,530	-	-	0.0%
Amounts due from banks	731	-	-	0.0%
Cash collateral posted	3,493	-	-	0.0%
Financial assets at fair value through the income statement	872	-	-	0.0%
Financial assets at fair value through other comprehensive income	10,513	-	-	0.0%
Interest-bearing securities at amortised cost	9,019	-	-	0.0%
Loans and advances at amortised cost	93,133	361	316	0.4%
	129,291	**361**	**316**	**0.3%**
Off-balance sheet commitments				
Contingent liabilities	491	-	-	0.0%
Revocable facilities	5,629	13	13	0.2%
Irrevocable facilities	3,527	0	0	0.0%
	9,647	**13**	**13**	**0.1%**

31-12-2023		Of which: Forborne		
	Total exposure	Gross of impairment	Net of impairment	**in % of total**
Financial assets (excl. derivatives)				
Cash and balances held with central banks	1,617	-	-	0.0%
Amounts due from banks	622	-	-	0.0%
Cash collateral posted	4,751	-	-	0.0%
Financial assets at fair value through the income statement	911	-	-	0.0%
Financial assets at fair value through other comprehensive income	3,011	-	-	0.0%
Interest-bearing securities at amortised cost	10,193	-	-	0.0%
Loans and advances at amortised cost	90,497	262	227	0.3%
	111,602	**262**	**227**	**0.2%**
Off-balance sheet commitments				
Contingent liabilities	478	2	2	0.4%
Revocable facilities	6,118	29	29	0.5%
Irrevocable facilities	3,960	-	-	0.0%
	10,556	**30**	**30**	**0.3%**

The financial assets of which the contractual terms have changed as a result of the debtor's unfavourable financial position amounted to EUR 361 million (gross of impairment) at 30 June 2024 (year-end 2023: EUR 262 million). The share of forborne exposure in the total portfolio is 0.3% (year-end 2023: 0.2%) and concerns 13 debtors (year-end 2023: 11 debtors). Forbearance is used as a backstop indicator in the impairment staging assessment, as a result of which all forborne exposures are classified in impairment stage 2.

Non-performing

Please refer to Note 4 (Impairment on financial assets and off-balance sheet commitments) for disclosure of BNG's methodology of non-performing exposures. An exposure classified as non-performing can once again be regarded as performing if all of the following conditions are met:

- the debtor once again complies with all contractual terms (no default);
- the debtor's situation has improved to the extent that the debtor is able to meet payment obligations according to an existing or adjusted payment profile ('likely to pay'); and
- the debtor has no payment arrears exceeding 90 days.

Maturity analysis of performing past due exposures

The figures comprise of past due exposures that are not included in impairment stage 3 under IFRS 9.

	30-6-2024	31-12-2023
Less than 31 days	2	0
31 through 60 days	-	-
61 through 90 days	0	-
Over 90 days	-	-
Closing balance	**2**	**0**

Netting of financial assets and financial liabilities (derivatives)

Financial counterparties with which BNG is prepared to conclude derivatives transactions are offered netting agreements to reduce the credit risk. In addition, bilateral collateral agreements are concluded. These ensure that market value developments are mitigated daily by collateral. The agreements are updated where necessary in response to regulatory changes. These agreements are not eligible for balance sheet netting, unless the cash flows are offset through central clearing parties. The following table shows the gross positions before balance sheet netting and if the collateral agreements were taken into account.

30-6-2024

	Derivatives (assets)	Derivatives (liabilities)	Net
Netting of financial assets and financial liabilities (derivatives)			
Gross value of financial assets and liabilities before balance sheet netting	16,045	-18,247	**-2,202**
Gross value of the financial assets and liabilities to be netted	-13,160	13,160	**0**
Balance sheet value of financial assets and liabilities (after netting)	**2,885**	**-5,087**	**-2,202**

30-6-2024

	Derivatives (assets)	Derivatives (liabilities)	Net
Value of financial netting instrument that does not comply with IAS 32 (netting of derivatives with the same counterparty) for netting purposes	-1,749	1,749	0
Exposure before collateral	**1,136**	**-3,338**	**-2,202**
Value of financial collateral that does not comply with IAS 32 for netting purposes	-790	3,260	**2,470**
Net exposure	**346**	**-78**	**268**

31-12-2023

	Derivatives (assets)	Derivatives (liabilities)	Net
Netting of financial assets and financial liabilities (derivatives)			
Gross value of financial assets and liabilities before balance sheet netting	15,123	-18,475	**-3,352**
Gross value of the financial assets and liabilities to be netted	-12,112	12,112	**0**
Balance sheet value of financial assets and liabilities (after netting)	**3,011**	**-6,363**	**-3,352**
Value of financial netting instrument that does not comply with IAS 32 (netting of derivatives with the same counterparty) for netting purposes	-1,887	1,887	**0**
Exposure before collateral	**1,124**	**-4,476**	**-3,352**
Value of financial collateral that does not comply with IAS 32 for netting purposes	-656	4,751	**4,095**
Net exposure	**468**	**275**	**743**

At 30 June 2024, the collateral posted for derivatives amounted to EUR 3.4 billion (year-end 2023: EUR 4.4 billion). A three-notch downgrade of BNG's credit rating would, as in 2023, not impact this amount. The strength of the bank's liquidity position is sufficient to meet, and to absorb fluctuations in collateral obligations.

	30-6-2024		31-12-2023	
	Reverse repos (assets)	Repos (liabilities)	Reverse repos (assets)	Repos (liabilities)
Netting of reverse repo and repo agreements				
Gross balance sheet value before balance sheet netting	1,994	-1,993	1,318	-1,318
Balance sheet netting of reverse repo and repo agreements	-1,993	1,993	-1,318	1,318
Net balance sheet value of financial assets and liabilities	**1**	**0**	**0**	**0**

Investments in interest-bearing securities (IBS)

BNG's IBS portfolio is held primarily for liquidity management purposes. The portfolio is composed of high-quality bonds, the majority of which are accepted as collateral by the central bank. BNG's total IBS portfolio can be subdivided into a liquidity portfolio and an ALM (Asset & Liability Management) portfolio. The liquidity portfolio consists exclusively of highly liquid securities and is subdivided according to the various Liquidity Coverage Ratio levels, as shown in the table below. The ALM portfolio is subdivided according to type of security. The portfolio developments are reported on a monthly basis. Using factors such as external ratings and internal ratings, the bank monitors the development on an individual basis. The assets within these portfolios undergo an impairment analysis twice a year.

The amounts shown below per rating category are remaining principal amounts in millions of euros. The total balance sheet value (gross of impairment) is also shown in the final column. The total value of EUR 20.2 billion (2023: 19.7 billion) is recognised in the balance sheet items Financial assets at fair value through other comprehensive income (EUR 10.5 billion), Interest-bearing securities at amortised cost (EUR 9.0 billion) and Financial assets at fair value through the income statement (EUR 0.7 billion).

30-6-2024	**AAA**	**AA**	**A**	**BBB**	**Non-investment grade**	**Total nominal value**	**Total balance sheet value**
Liquidity portfolio							
Level I – Government/ Supranational	6,010	3,305	90	46	-	9,451	9,102
Level I B – Covered bonds	2,499	-	-	-	-	2,499	2,457
Level II A – Government/ Supranational	-	59	-	-	-	59	58
Level II A – Covered bonds	205	-	-	-	-	205	204
Level II B – Corporates	-	-	-	-	-	-	-
Level II B – RMBS	1,251	-	-	-	-	1,251	1,266
	9,965	**3,364**	**90**	**46**	**-**	**13,465**	**13,087**
ALM portfolio							
RMBS	27	79	39	-	-	145	146
ABS	29	-	-	70	-	99	100
RMBS-NHG	2,474	38	85	-	-	2,597	2,607
Other	2,524	794	712	462	-	4,492	4,223
	5,054	**911**	**836**	**532**	**0**	**7,333**	**7,076**
Total	**15,019**	**4,275**	**926**	**578**	**0**	**20,798**	**20,163**

31-12-2023	AAA	AA	A	BBB	Non-investment grade	Total nominal value	Total balance sheet value
Liquidity portfolio							
Level I – Government/ Supranational	4,525	3,094	1233	46	-	8,898	8,812
Level I B – Covered bonds	2,346	-	-	-	-	2,346	2,335
Level II A – Government/ Supranational	-	58	-	-	-	58	62
Level II A – Covered bonds	310	-	-	-	-	310	310
Level II B – Corporates	-	-	-	-	-	-	-
Level II B – RMBS	1,489	-	-	-	-	1,489	1,507
	8,670	**3,152**	**1,233**	**46**	**-**	**13,101**	**13,026**
ALM portfolio							
RMBS	27	103	44	-	-	174	175
ABS	33	-	15	15	45	108	108
RMBS-NHG	2,618	41	89	-	-	2,748	2,762
Other	2,000	646	549	450	-	3,645	3,594
	4,678	**790**	**697**	**465**	**45**	**6,675**	**6,639**
Total	**13,348**	**3,942**	**1,930**	**511**	**45**	**19,776**	**19,665**

Long-term foreign exposure

The following tables provide an overview of the long-term foreign exposures. Derivatives transactions and short-term transactions (including cash collateral with banks in particular) have not been included. The amounts shown are remaining principal amounts in millions of euros.

30-6-2024	AAA	AA	A	BBB	Non-investment grade	Total nominal value	Total balance sheet value
Supranational institutions	4,008	–	–	–	–	4,008	3,921
Multilateral development banks	201	–	–	–	–	201	190
Austria	–	1,126	–	–	–	1,126	1,046
Belgium	–	642	–	69	–	711	733
Denmark	36	–	–	–	–	36	35
Finland	–	424	–	–	–	424	398
France	685	1,141	–	–	–	1,826	1,842
Germany	665	179	37	–	–	881	837
Luxembourg	384	–	–	–	–	384	342
Portugal	12	–	14	58	–	84	84
Singapore	–	–	130	–	–	130	130
Spain	15	80	105	46	–	246	255
United Kingdom	205	516	140	498	16	1,375	1,293
Total	**6,211**	**4,108**	**426**	**671**	**16**	**11,432**	**11,106**

31-12-2023	AAA	AA	A	BBB	Non-investment grade	Total nominal value	Total balance sheet value
Supranational institutions	4,135	-	-	-	-	4,135	4,113
Multilateral development banks	-	1,084	-	-	-	1,084	1,022
Austria	-	446	-	73	-	519	560
Belgium	36	-	-	-	-	36	36
Denmark	-	424	-	-	-	424	402
Finland	682	1,168	-	-	-	1,850	1,904
France	665	155	31	-	-	851	804
Germany	-	-	15	-	45	60	59
Italy	539	-	-	-	-	539	499
Luxembourg	13	2	15	-	-	30	31
Portugal	-	-	109	-	-	109	109
Spain	14	101	107	46	-	268	292
United Kingdom	310	491	138	485	17	1,441	1,450
United States	73	-	-	-	-	73	75
Total	**6,467**	**3,871**	**415**	**604**	**62**	**11,419**	**11,356**

The non-investment grade items (i.e. items with a rating below BBB-) consist of an exposure in United Kingdom. The non-investment grade exposure in the United Kingdom concerns a limited number of private project financing schemes in the areas of infrastructure, education, energy and healthcare. The total fair value of long-term foreign non-investment grade exposures amounted to EUR 15 million (year-end 2023: EUR 56 million).

Off-balance sheet items

Contingent assets

In the first half of 2023 BNG lost the court for the TLTRO-III case and filed an appeal. A ruling is expected no earlier than Q4, 2024.

Contingent liabilities

This includes all commitments arising from transactions for which the bank has issued guarantees on behalf of a third party. These so called Letters of Credit are covered by deposits or a counter guarantee from public authorities. BNG records contingent liabilities at the underlying principal amount that would need to be paid in the event of the borrower defaulting.

	30-6-2024	31-12-2023
Contingent liabilities	491	478

Revocable facilities

This includes all commitments attributable to revocable current-account facilities.

	30-6-2024	31-12-2023
Revocable facilities	5,629	6,118

Irrevocable facilities

This includes all irrevocable commitments that can lead to the granting of loans and advances. In the table below, these facilities are divided into credit facilities and future disbursements of contracted loans and advances.

	30-6-2024	31-12-2023
Outline agreements concerning the undrawn part of credit facilities	1,748	1,766
Contracted loans and advances to be distributed in the future	1,779	2,194
Total	**3,527**	**3,960**

Events after the balance sheet date

There are no events after the balance sheet date to report that require adjustments of the figures or disclosure in the Interim Report.

The Hague, 6 September 2024

Statutory Board
Olivier Labe (Interim CEO and CFO)
Cindy van Atteveldt - Machielsen (CRO)

Supervisory Board
Huub Arendse, Chair
Femke de Vries, Vice-chair
Karin Bergstein
Marja Elsinga
Marlies van Elst
Leonard Geluk
Constant Korthout

Review report

To: the supervisory board and the executive committee of BNG Bank N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information for the six-month period ended 30 June 2024 of BNG Bank N.V., The Hague, which comprises the consolidated balance sheet as at 30 June 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the period then ended and the selected explanatory notes. The statutory board is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information for the six-month period ended 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 6 September 2024

PricewaterhouseCoopers Accountants N.V.
Original has been signed by

M.S. de Bruin RA

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September 2024

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BNG is a trade name of BNG Bank N.V., with its registered office in The Hague. Chamber of Commerce no. 27008387