PILLAR 3

2023

Disclosure report

BANK

Driven by social impact

Pillar 3 Disclosure report
BNG Bank **2023**

INTRODUCTION

The international prudential regulatory framework for banks is based on a comprehensive set of measures developed by the Basel Committee on Banking Supervision (known as the Basel III framework). In 2010, the Basel III framework was adopted and implemented in the European Union through the Capital Requirements Regulation (EU) No 575/2013 (CRR) and the Capital Requirements Directive (EU) No 2013/36 (CRD). The CRR is binding for all EU member states and came into effect per 1 January 2014.

The Basel Committee's framework is based on three pillars. Pillar 1 on minimum capital requirements, which defines the rules for the capital requirements of credit, market and operational risk. Pillar 2 regarding the Supervisory Review and Evaluation Process (SREP). The SREP requires banks to have an internal capital adequacy assessment process (ICAAP) to identify and assess risks and maintain sufficient capital, and an internal liquidity adequacy assessment process (ILAAP) focusing on maintaining sufficient liquidity (and funding) risk management. Finally, Pillar 3 ensures market discipline and transparency, requiring disclosures to allow market participants to have sufficient understanding of the risk profiles of individual banks.

Following the Pillar 3, BNG Bank publishes relevant disclosures on our performance following the CRR on prudential requirements for credit institutions and investment firms (Part Eight) and the final Implementing Technical Standards (ITS) No 2021/637 on public disclosures by institutions. The Pillar 3 report is published on an annual and semi-annual basis. Some capital requirements as laid down in Articles 433 and 433a of the CRR are disclosed on a quarterly or semi-annual basis. BNG Bank is classified as "Other Systemically Important Institutions" which imposes the requirement to publish an interim and an annual Pillar 3 report. In considering the relevant requirements on the frequency of disclosure, BNG Bank has assessed the need and the requirements to publish information more frequently[1]. BNG Bank's business model is stable with a limited range of activities. Hence, the risk profile of BNG Bank is not prone to rapid changes. As a result, the information that generally qualifies for more frequent disclosure, does not exhibit sudden material fluctuations. Note that these disclosures also include the mandatory quarterly templates.

For qualitative information, this report should be read in conjunction with the Internal Business Operations chapter, specifically the Risk Management section of the 2023 Annual Report on the website of BNG Bank. The information disclosed in this report is subject to the similar internal control procedures as the information published in the annual report and other regulatory reports. The figures presented in this document are not required to be, nor have they been, audited or reviewed by our external auditor. In this report, the terms 'Risk-weighted assets (RWA)', 'Risk-weighted exposure amount (RWEA)' are used interchangeably. Similarly, this report may use the terms 'banking book' and 'non-trading book' interchangeably. The quantitative information is described in millions, unless otherwise indicated.

[1] Conform the CRR requirements on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433.

In accordance with Article 432 of the CRR, BNG Bank may omit one or more of the required disclosures where the information provided by those disclosures is not regarded as material or is not applicable to its operations. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions. BNG Bank shall explain the reasons for omitting any information required in the templates and tables included in the ITS. Where disclosure is required for information that is considered proprietary or confidential, a generic disclosure is provided.

The scope of this report includes BNG Bank N.V. and its two subsidiaries BNG Gebiedsontwikkeling B.V. and Hypotheekfonds voor Overheidspersoneel B.V.[2]

The following templates have been identified as not applicable to BNG Bank and are therefore not included in this report:
- **EU LIB:** all branches are consolidated. Therefore other qualitative information is not applicable.
- **EU INS1 and EU INS2**: BNG Bank does not have investments in insurance subsidiaries.
- **EU PV1:** Due to thresholds defined in Article 4(1) of Delegated Regulation (EU) 2016/101.
- **EU CQ2, EU CQ4 (coloumns b & d), EU CQ5 (columns b & d), EU CQ6, EU CQ8 and EU CR2a:** BNG Bank does not exceed the applied threshold ratio of 5% between the gross carrying amount of loans and advances that fall under Article 47a(3) of the CRR and the total gross carrying amount of loans and advances that fall under Article 47a(1) of the CRR.
- **EU CRE; EU CR6, EU CR6-A, EU CR7, EU CR7-A, EU CR8, EU CR9, EU CR9.1 and EU CR10:** BNG Bank does not apply the internal rating-based (IRB) approach.
- **EU CCR4, EU CCR6 and EU CCR7:** BNG Bank does not apply the IRB approach or the internal model method (IMM) for CCR and does not have credit derivative exposure.
- **EU SEC2:** BNG Bank does not have a trading book.
- **EU SEC3 and EU SEC5:** BNG Bank has not acted as an originator or sponsor in transactions with securitisation exposures.
- **EU MRB; EU MR2-A, EU MR2-B, EU MR3 and EU MR4:** BNG Bank does not apply the Internal Model Approach (IMA) for market risk.
- **EU REM3 and REM4:** BNG Bank does not have deferred remuneration or high earners with remuneration of EUR 1 million or above.
- **ESG2:** BNG Bank's mortgage portfolio (Hypotheekfonds voor Overheidspersoneel portfolio) was sold in 2022 and has been liquidated in 2023. As a result, BNG Bank does not have such specific portfolios containing immovable properties.
- **ESG4:** BNG Bank uses a list of top 20 carbon-intensive firms compiled by third party and does not have corresponding exposures.
- **ESG10:** BNG Bank does not hold bonds and loans provided they are related to climate-change mitigating actions defined by other standards than the EU ones. The definitions used are in line with the EU Taxonomy Regulation.
- **COVID-19 disclosure templates:** The relevant templates are not included as all requested figures for the reporting period are nil.

[2] On 12 December 2022, the portfolio of Hypotheekfonds voor Overheidspersoneel B.V. (HVO) was sold to Nationale Nederlanden Bank N.V. HVO was liquidated in 2023.

Changes in regulatory disclosure requirements

From 31 December 2022, BNG Bank also discloses information on environmental, social and governance risks (ESG risks), including physical risks and transition risks. On 24 January 2022, EBA published the final ITS on ESG disclosures. The ITS supports comparable disclosures that show how climate change may exacerbate other risks within banks' balance sheets, how banks are mitigating those risks and banks' exposures on sustainable activities. The framework allows investors and stakeholders to compare sustainability performances of banks. The ITS entered into force in June 2022. BNG Bank's first disclosure was in the Pillar III report 2022 and takes place on a semi-annual basis. The qualitative disclosures (tables 1, 2 and 3) and templates 1, 2, 4, 5 and 10 were applicable as of 31 December 2022. As of 31 December 2023, the templates 6, 7 and 8 will take effect. Template 3 will be effective as of 30 June 2024 and template 9 (voluntary) as of 31 December 2024.

Statement by management body

Following the requirement laid down in Article 431 point 3 of the CRR and BNG Bank's internal policies, the Pillar 3 report is approved by the Executive Committee (ExCo) and the Supervisory Board (SB). The management body confirms that the 2023 Pillar 3 report has been prepared in accordance with the internal control processes as they have been agreed upon within BNG Bank and are considered adequate with regard to the institution's profile and strategy. In addition, the management body confirms that the 2023 Pillar 3 report includes the disclosures as prescribed in Part Eight of the CRR and provides a comprehensive overview on the risk profile of BNG Bank as at year end 2023.

The 2023 Pillar 3 Report was approved by the ExCo and SB respectively on 31 May 2024 and 7 June 2024.

KEY METRICS AND OVERVIEW RWEA

EU KM1 - Key metrics template

As per 31 December 2023, the Capital ratios mainly increased as a result of a decrease in risks in derivatives and a reclassification of a client group to a different exposure class. The available own funds remained stable.

The Liquidity Coverage Ratio decreased to 142.61% (31-12-2022: 182.99%), this is mainly due to a lower Liquidity Buffer as a result of a lower withdrawable balance at central banks. The net liquidity outflow is in line with previous year.

		a	b	c	d	e
		31-12-2023	30-9-2023	30-6-2023	31-3-2023	31-12-2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	4,097	4,067	4,104	4,116	3,965
2	Tier 1 capital	4,406	4,376	4,413	4,425	4,274
3	Total capital	4,406	4,376	4,413	4,425	4,274
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	9,564	9,662	10,652	10,778	11,403
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	42.84%	42.09%	38.53%	38.19%	34.77%
6	Tier 1 ratio (%)	46.07%	45.29%	41.43%	41.06%	37.48%
7	Total capital ratio (%)	46.07%	45.29%	41.43%	41.06%	37.48%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Eu 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.75%	1.75%	1.75%	1.75%	2.00%
Eu 7b	of which: to be made up of CET1 capital (percentage points)	0.98%	0.98%	0.98%	0.98%	1.13%
Eu 7c	of which: to be made up of Tier 1 capital (percentage points)	1.31%	1.31%	1.31%	1.31%	1.50%
Eu 7d	Total SREP own funds requirements (%)	9.75%	9.75%	9.75%	9.75%	10.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%

		a	b	c	d	e
9	Institution specific countercyclical capital buffer (%)	1.04%	1.04%	0.96%	0.08%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	4.54%	4.54%	4.46%	3.58%	3.50%
EU 11a	Overall capital requirements (%)	14.29%	14.29%	14.21%	13.33%	13.57%
12	CET1 available after meeting the total SREP own funds requirements (%)	36.32%	35.54%	31.68%	31.31%	26.89%
	Leverage ratio					
13	Total exposure measure	32,986	60,739	49,532	65,265	32,920
14	Leverage ratio	13.36%	7.20%	8.91%	6.78%	12.98%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	- of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	36,708	41,068	44,170	44,437	42,792
EU 16a	Cash outflows - Total weighted value	25,593	27,305	29,056	28,214	27,238
EU 16b	Cash inflows - Total weighted value	3,281	2,845	2,975	3,000	3,418
16	Total net cash outflows (adjusted value)	22,312	24,460	26,082	25,215	23,820
17	Liquidity coverage ratio (%)	166.70%	172.73%	171.38%	181.13%	182.99%
	Net Stable Funding Ratio					
18	Total available stable funding	87,131	86,574	88,878	91,754	87,938
19	Total required stable funding	73,086	69,072	70,351	70,683	70,268
20	NSFR ratio (%)	119.22%	125.34%	126.33%	129.81%	125.15%

For regulatory purposes the capital requirement is based on the Pillar 1 requirement for the aggregated Risk-Weighted Assets (RWA) for the three major risk types (credit, operational and market risk). This requirement is supplemented by so-called Combined Buffer Requirement (CBR) and a Pillar 2 requirement (P2R). The P2R is an institution specific requirement stemming from the Supervisor Review and Evaluation Process (SREP) conducted by the supervisor. The P2R covers risks that are not (fully) covered by Pillar 1. BNG Bank employs the ‘Standardised Approach’ to calculate the RWAs.

As part of the SREP BNG Bank has received notification from the European Central Bank that the total SREP capital requirement for BNG Bank is set at 9.75%, effective as of 1 January 2023. This requirement is to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital, as a minimum.

This total SREP capital requirement consists of (i) the minimum CET1 requirement under Pillar 1 (4.5%), (ii) the Pillar 1 Additional Tier 1 requirement (1.5%), (iii) the Pillar 1 Tier 2 requirement (2%), (iv) the Pillar 2 CET1 capital requirement (Pillar 2 requirement, 1.75%). Including the buffer requirements: the capital conservation buffer (CCB, 2.5% CET1), the countercyclical buffer (CCyB, 0% for loans outstanding in the Netherlands) and the Other Systemic Important Institution buffer (O-SII buffer, 1%), this results in an Overall Capital Requirement (OCR) of 13.25% as of 1 January 2023.

The Dutch Central Bank (*De Nederlandsche Bank* (DNB)) has increased the CCyB for lending in the Netherlands to 1% from 25 May 2023.

For the minimum requirement for own funds and eligible liabilities (MREL) as set in the Banking resolution framework, an institution specific requirement is determined by the Single Resolution Board (SRB). On October 5, 2023, the SRB concluded the preferred resolution strategy is liquidation under normal insolvency proceedings (simplified obligations apply to BNG Bank). Currently the preferred resolution strategy for BNG Bank is normal insolvency, which means that, should it fail, it would be liquidated under normal insolvency law and hence resolution will not be triggered. In line with the resolution strategy, the SRB sets the MREL requirement equal to the loss absorption amount. Hence, the MREL requirement does not pose an additional capital requirement. In addition, following the non-risk based leverage ratio as a binding measure in the CRR, all banks have to comply with a minimum leverage ratio of 3%. However, for institutions within the public development sector such as BNG Bank, the competent authority is allowed set a proportional treatment to deduct exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments, and promotional loans from the exposure measure.

As of 31 December 2023, the Total capital ratio amounts to 46.07% and the leverage ratio amounts to 13.36% . Both these ratios remained therefore well above the minimum levels set by the regulator.

EU OV1 - Overview of total risk exposure amounts

Template EU OV1 provides an overview of the total own funds requirements and the total risk exposure amounts for the different risk categories, forming the denominator of the risk-based capital requirements.

		a	b	c	d	e	f	g	h	i	j
		Total risk exposure amounts (TREA)					Total own funds requirements				
		31-12-2023	30-9-2023	30-6-2023	31-3-2023	31-12-2022	31-12-2023	30-9-2023	30-6-2023	31-3-2023	31-12-2022
1	Credit risk (excluding CCR)	6,523	6,457	7,241	7,094	7,203	522	516	579	568	576
2	- Of which the standardised approach	6,523	6,457	7,241	7,094	7,203	522	516	579	568	576
3	- Of which the foundation IRB (FIRB) approach	-	0	-	-	-	-	-	-	-	-
4	- Of which: slotting approach	-	-	-	-	-	-	-	-	-	-
EU 4a	- Of which: equities under the simple riskweighted approach	-	-	-	-	-	-	-	-	-	-
5	- Of which the advanced IRB (AIRB) approach	-	-	-	-	-	-	-	-	-	-
6	Counterparty credit risk - CCR	1,485	1,573	1,753	2,020	2,522	119	126	140	162	202
7	- Of which the standardised approach	666	689	744	925	1,083	53	55	60	74	87
8	- Of which internal model method (IMM)	-	-	-	-	-	-	-	-	-	-
EU 8a	- Of which exposures to a CCP	18	10	8	10	12	2	1	1	1	1
EU 8b	- Of which credit valuation adjustment - CVA	740	802	973	1,041	1,410	59	64	78	83	113
9	- Of which other CCR	61	72	29	44	17	5	6	2	3	1
15	Settlement risk	-	-	-	-	-	-	-	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	575	721	746	752	767	46	58	60	60	61
17	- Of which SEC-IRBA approach	-	-	-	-	-	-	-	-	-	-
18	- Of which SEC-ERBA (including IAA)	575	721	746	752	767	46	58	60	60	61
19	- Of which SEC-SA approach	-	-	-	-	-	-	-	-	-	-
EU 19a	- Of which 1250%/ deduction	-	-	-	-	-	-	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-	-	-	-	-	-	-	-
21	- Of which the standardised approach	-	-	-	-	-	-	-	-	-	-
22	- Of which IMA	-	-	-	-	-	-	-	-	-	-
EU 22a	Large exposures	-	-	-	-	-	-	-	-	-	-
23	Operational risk	981	911	912	912	912	78	73	73	73	73
EU 23a	- Of which basic indicator approach	-	-	-	-	-	-	-	-	-	-
EU 23b	- Of which standardised approach	981	911	912	912	912	78	73	73	73	73
EU 23c	- Of which advanced measurement approach	-	-	-	-	-	-	-	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	**Total**	**9,564**	**9,662**	**10,652**	**10,778**	**11,403**	**765**	**773**	**852**	**862**	**912**

EU OVC - ICAAP information

BNG Bank determines and maintains an appropriate quantity and quality of capital to support its operations on an ongoing basis as part of the Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP is instrumental in ensuring the risk appetite is in line with the risk capacity. Based on the strategy, the risk appetite, the risk inventory and risk limits, the ICAAP quantifies the capital need, both from a normative perspective as well as from an economic perspective. The normative perspective assesses BNG Bank's ability to fulfill its capital-related regulatory and supervisory requirements and any capital-related requirements and demands from other stakeholders, and to cope with other external financial constraints on an ongoing basis over a three year horizon under baseline and adverse scenarios. Under the economic perspective BNG Bank identifies and quantifies the required capital based on all material risks that may cause economic losses and deplete internal capital.

The setup of scenarios, the models and methodologies used and the outcomes are discussed in the Asset & Liability Committee (ALCO), the ExCo and SB.

The ICAAP is also an important input factor in the Single Supervisory Mechanism (SSM) Supervisory Review and Evaluation Process (SREP). BNG Bank provides the ECB with a comprehensive ICAAP package on an annual basis.

RISK MANAGEMENT OBJECTIVES AND POLICIES

EU OVA - Institutional risk management approach

BNG Bank has a Risk Management Framework (RMF) in place. The RMF is the basis for all risk management activities within BNG Bank and clarifies the principles behind our internal control and risk management system. The process of accepting and controlling risks is inherent to the day-to-day operations of any bank. In order to conduct its operations, a bank must accept a certain level of risks. BNG Bank's risk management strategy is aimed at maintaining its safe risk profile, which is expressed in its high external credit ratings by the rating agencies accepted by the Eurosystem. BNG Bank's strict capitalization policy, the restriction on services and counterparties as laid down in its Articles of Association and the fact that the bank has no trading book, determine the risk appetite. The components of BNG Bank's RMF are discussed in detail in the Internal Business Operations chapter, specifically the Risk Management section of the 2023 Annual report. This paragraph also includes an overview of the risk management organization (Three Lines of Defense model) and the risk governance structure and processes for each type of risk.

The principles for risk acceptance are documented in the Risk Appetite Statement (RAS). The RAS is reviewed annually and discloses a concise risk statement which is approved by the management body. The approved RAS for 2023 is visualized below:

Overall Risk Appetite Statement BNG Bank 2023

Overarching principles	Driven by Social Impact	Reliable, professional, sustainable	Credit rating equals Dutch State

› Reputation and internal operations

Qualitative description of risk appetite

- Preserve status of promotional bank with excellent creditworthiness
- Commited to sound conduct and ethical business practices in line with legitimate expectations of society, regulators and other stakeholders
- Compliant with applicable laws and regulations and supervisors' criteria
- Qualitative and quantitative capacity to execute the Road to Impact
- Effective and controlled business practices

Quantitative description of risk appetite

- >= 90% of long-term lending on balance sheet is zero risk weighted
- Timely implementation of new (or changed) laws, regulations and supervisory requests
- Employees, clients, counterparties and third parties satisfy the integrity requirements
- No operational and security incidents with high/critical impact
- Adequate score on indicator(s) for ESG
- Achieve the strategic objectives

› Profitability

Qualitative description of risk appetite

- Relatively stable annual results
- Amounts of incidental losses limited
- Services at cost-covering rates

Qualitative description of risk appetite

- Change of interest income versus last year outside range 20% lower or 30% higher only once every 20 years
- Incidental losses (non-interest income) causing an annual loss only once every 20 years
- Return >= required return of shareholders of 3.7%

› Solvency

Qualitative description of risk appetite

- Prudent capital adequacy, with high quality of capital
- CET1 ratio higher than 75% of other EU banks
- Economic available capital > required capital plus a buffer

Qualitative description of risk appetite

- CET1 Ratio >= 21.4%
- Internal Leverage Ratio >=2.9%
- Leverage Ratio >= 4.5%
- Economic capital covers 99.9% risk

› Liquidity

Qualitative description of risk appetite

- Always be able to meet the demand for lending and obligations, in times of BaU, without use of liquidity buffers
- Liquidity buffers are sufficient under stressed
- Circumstances
- LCR and NSFR are used as backstops

Qualitative description of risk appetite

- Continuous access to money and capital markets
- Long term liquidity shortage <= EUR 27 B (5Y and longer)
- Liquidity buffers after severe stress scenarios for 1, 3 and 9 months horizon > 0
- LCR and NSFR both >= 102%

Investments in interest-bearing securities

BNG Bank's interest-bearing securities (IBS) portfolio is held primarily for liquidity and investment management purposes. The portfolio is composed of high-quality bonds, the majority of which are accepted as collateral by the European Central Bank (ECB). BNG Bank's total IBS portfolio can be subdivided into a Liquidity portfolio and an Asset & Liability Management (ALM) portfolio. The Liquidity portfolio consists exclusively of highly negotiable securities and is subdivided according to the various Liquidity Coverage Ratio (LCR) levels.

The ALM portfolio is subdivided according to the type of security. Using factors such as external ratings and – in part – internal ratings, the bank monitors the development on an individual basis. The securities qualifying under the liquidity coverage requirement are subject to a due diligence review process. The assets within these portfolios undergo an impairment analysis twice a year.

BNG Bank is exposed to foreign country risk as a result of transactions with financial counterparties to hedge market risks arising from lending and funding activities, as a result of its liquidity portfolio and, to a limited extent, in the context of lending and investments in the public sector abroad. Foreign lending is in most cases directly or indirectly guaranteed by the relevant governments.

All foreign exposures fall within limits set for each country. These limits mainly depend on the perceived credit quality of the country in question. Moreover, a general limit of 15% of the balance sheet total applies to foreign exposures excluding derivatives and collateral. At the end of 2023, the bank's long term foreign exposure (expressed in balance sheet value) totaled EUR 11.4 billion exposures (2022: EUR 7.5 billion). This represents 9.8% of the balance sheet total (2022: 6.7%).

Monitoring of the risk targets is performed on a quarterly basis by Risk Management and is reported to the relevant committees and the ExCo. The concentration risk per sector is part of the Risk Management economic capital model used to assess the capital adequacy allocation. Stress testing forms an integral part of BNG Bank's overall RMF as stress testing is used to support the limit and threshold calibrations.

EU OVB - Information on governance arrangements

The ExCo is responsible for the day-to-day management of the bank. The ExCo consists of five members, including the CEO, and is supervised by the SB. The SB consists of seven members which are in turn a chair, member or observer of the Audit Committee, Risk Committee, HR Committee or Remuneration Committee (RemCie). More information on the personal details and requirements, responsibilities, composition requirements, committee composition and schedule for reappointment can be found on BNG Bank's website and the Annual report 2023. The appointment, suspension and dismissal of the ExCo- or SB-members are further detailed in the Articles of association.

The ExCo and the SB of BNG Bank are regularly informed about the risks and risk management. The following table provides an overview of the relevant reports that the ExCo and Supervisory Board receive periodically.

Table of reports and frequencies

3LoD	Report	Executive Committee	Supervisory Board
1st line	Financial Reports	monthly	quarterly
	Commercial Reports	monthly	quarterly
	Funding Plan	annually	annually
	Selected In Control Statements	annually	
	ICAAP/ ILAAP	annually	annually
2nd line	Integrated Risk Report	quarterly	quarterly
	Risk Appetite Statement	annually	annually
	Operational incident report	annually	annually
	Recovery Plan	every two years	every two years
	Risk Analysis on Remuneration Policy	annually	annually
3rd line	Internal Audit Reports	various	quarterly
	Management Letter Internal Auditor	annually	annually
Other	Audit Report External Auditor	annually	annually
	Management Letter External Auditor	annually	annually

SCOPE OF APPLICATION

As mentioned in the introduction, the scope of this report includes BNG Bank N.V. and its subsidiary BNG Gebiedsontwikkeling B.V. The subsidiary BNG Gebiedsontwikkeling B.V. directly or indirectly provides venture capital or other capital to public authorities and directly or indirectly participates in and/or cooperates with projects, either with or on behalf of public authorities or institutions affiliated with public authorities.

On 12 December 2022, the portfolio of Hypotheekfonds voor Overheidspersonnel BV was sold to National Nederlanden Bank N.V. and Hypotheekfonds voor Overheidspersoneel B.V. was liquidated in 2023.

BNG Bank annually prepares consolidated financial statements for the company and its subsidiaries. The reporting date for the parent company and its subsidiaries is the same and are based on uniform principles. All intra-group transactions and balances, including income, expenses and dividends, have been fully eliminated in the consolidated financial statements.

EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

	31-12-2023	a	b	c	d	e	f	g
					Carrying values of items			
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction of capital
	Assets							
1	Cash and balances with the central bank	1,617	1,617	1,617	-	-	-	-
2	Amounts due from banks	622	622	622	-	-	470	-
3	Cash collateral posted	4,751	4,751	3	4,749	-	105	-
4	Financial assets at fair value through the income statement	911	911	911	-	-	500	-
5	Derivatives (assets)	3,011	3,011	-	3,011	-	2,880	-

		a	b	c	d	e	f	g
6	Financial assets at fair value through other comprehensive income	10,193	10,193	10,193	-	-	23	-
7	Interest-bearing securities at amoritsed cost	8,829	8,829	4,311	-	4,519	691	-
8	Loans and advances at amortised cost	90,497	90,497	90,497	-	-	90	-
9	Value adjustments on loans involved in portfolio hedge accounting	-5,037	-5,037	-5,037	-	-	-	-
10	Associated and joint ventures	22	22	22	-	-	-	-
11	Property & equipment	15	15	15	-	-	-	-
12	Other assets	89	89	89	-	-	-	-
13	Current tax assets	18	18	18	-	-	-	-
14	Assets held for sale	2	2	2	-	-	-	-
15	**Total assets**	**115,540**	**115,540**	**103,262**	**7,760**	**4,519**	**4,759**	**0**
	Liabilities							
16	Amounts due to banks	905	905	-	-	-	174	731
17	Cash collateral received	656	656	-	656	-	-	-
18	Financial liabilities at fair value through the income statement	260	260	-	-	-	174	86
19	Derivatives	6,363	6,363	-	6,363	-	6,363	-
20	Debt securities	96,344	96,344	-	-	-	29,981	66,363
21	Funds entrusted	5,997	5,997	-	-	-	497	5,500
22	Subordinated debts	18	18	-	-	-	-	18
23	Current tax liabilities	-	-	-	-	-	-	-
24	Deferred tax liabilities	19	19	-	-	-	-	19
25	Other liabilities	257	257	-	-	-	-	257
26	**Total Liabilities**	**110,819**	**110,819**	**-**	**7,019**	**-**	**37,189**	**72,974**

	31-12-2022	a	b	c	d **Carrying values of items**	e	f	g
		Carrying values as reported in published financial statements	**Carrying values under scope of prudential consolidation**	**Subject to credit risk framework**	**Subject to counterparty credit risk framework**	**Subject to securitisation framework**	**Subject to market risk framework**	**Not subject to capital requirements or subject to deduction of capital**
	Assets							
1	Cash and balances with the central bank	6,821	6,821	6,821	-	-	-	-
2	Amounts due from banks	346	346	346	-	-	225	-
3	Cash collateral posted	4,144	4,144	3	4,141	-	104	-
4	Financial assets at fair value through the income statement	901	901	901	-	-	487	-

		a	b	c	d	e	f	g
5	Derivatives (assets)	3,737	3,737	-	3,737	-	3,645	-
6	Financial assets at fair value through other comprehensive income	7,398	7,398	7,398	-	-	23	-
7	Interest-bearing securities at amoritsed cost	7,636	7,636	2,021	-	5,615	594	-
8	Loans and advances at amortised cost	89,624	89,624	89,624	-	-	92	-
9	Value adjustments on loans involved in portfolio hedge accounting	-8,679	-8,679	-8,679	-	-	-	-
10	Associated and joint ventures	24	24	24	-	-	-	-
11	Property & equipment	13	13	13	-	-	-	-
12	Other assets	109	109	109	-	-	56	-
13	Current tax assets	-	-	-	-	-	-	-
14	Assets held for sale	-	-	-	-	-	0	-
15	**Total assets**	**112,074**	**112,074**	**98,581**	**7,878**	**5,615**	**5,226**	**0**
	Liabilities							
16	Amounts due to banks	4,012	4,012	-	-	-	140	3,872
17	Cash collateral received	1,173	1,173	-	1,173	-	-	-
18	Financial liabilities at fair value through the income statement	185	185	-	-	-	173	12
19	Derivatives	6,129	6,129	-	6,129	-	6,129	-
20	Debt securities	90,774	90,774	-	-	-	30,732	60,042
21	Funds entrusted	4,785	4,785	-	-	-	517	4,268
22	Subordinated debts	38	38	-	-	-	-	38
23	Current tax liabilities	11	11	-	-	-	-	11
24	Deferred tax liabilities	14	14	-	-	-	-	14
25	Other liabilities	338	338	-	-	-	59	279
26	**Total Liabilities**	**107,459**	**107,459**	-	**7,302**	-	**37,750**	**68,536**

The comparative figure for ‘Value adjustments on loans involved in portfolio hedge accounting’ has been changed to be in line with the 2023 figure.

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	31-12-2023	a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**115,540**	103,262	4,519	7,760	4,759
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**37,845**	-	-	7,019	37,189
3	**Total net amount under the scope of prudential consolidation**	**77,695**	**103,262**	**4,519**	**741**	**-32,430**
4	Off-balance-sheet amounts	**10,550**	10,419	131	-	-
5	Differences in valuations	**-**	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	**5,037**	5,037	-	-	-
7	Differences due to consideration of provisions	**-**	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	**-531**	-531	-	-	-
9	Differences due to credit conversion factors	**-7,008**	-6,942	-66	-	-
10	Differences due to Securitisation with risk transfer	**-**	-	-	-	-
11	Other differences	**32,805**	-3	-	1,981	32,430
12	**Exposure amounts considered for regulatory purposes**	**118,548**	**111,242**	**4,584**	**2,722**	**-**

	31-12-2022	a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**112,074**	98,581	5,615	7,878	5,226
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	**38,923**	-	-	7,302	37,750
3	**Total net amount under the scope of prudential consolidation**	**73,151**	**98,581**	**5,615**	**576**	**-32,524**
4	Off-balance-sheet amounts	**11,161**	11,010	151	-	-
5	Differences in valuations	**248**	248	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	**8,679**	8,679	-	-	-
7	Differences due to consideration of provisions	**-**	-	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	**-550**	-550	-	-	-
9	Differences due to credit conversion factors	**-7,267**	-7,192	-75	-	-
10	Differences due to Securitisation with risk transfer	**-**	-	-	-	-

		a	b	c	d	e
11	Other differences	33,969	-	-252	2,601	32,524
12	**Exposure amounts considered for regulatory purposes**	**119,391**	**110,776**	**5,439**	**3,177**	**-**

EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
BNG Gebieds-ontwikkeling BV	Fully consolidated	x					Directly or indirectly provides venture capital or other capital to public authorities and directly or indirectly participates in and/or cooperate with projects, either with or on behalf of public authorities or institutions affiliated with public authorities.
Hypotheek-fonds voor Overheidspersoneel BV (HvO)	Fully consolidated	x					Subsidiary Hypotheekfonds voor Overheidspersoneel B.V. (HvO) was liquidated in 2023, after the portfolio had already been sold to Nationale Nederlanden N.V. in 2022.

EU LIA - Explanations of differences between accounting and regulatory exposure amounts

The consolidation scope for the purpose of calculating Regulatory Capital is equal to the consolidation scope under IFRS. The main differences between the carrying value of assets under the scope of regulatory consolidation and the exposure amounts considered for regulatory purposes can be explained by the inclusion of the off-balance sheet liabilities in the exposure amounts for regulatory purposes, the exclusion of items that are capital deducted, the different valuation of derivatives due to netting rules and collateral. The market risk framework for regulatory purposes for BNG Bank consists only of the standardised approach for foreign exchange risk. In Table EU LI1, the column for the market risk framework shows all transactions with a foreign currency component. After eliminating the transactions denominated in euros, the remaining positions, subject to capital charge, are nil for year-end 2023 and 2022 (Table EU LI2).

OWN FUNDS

EU CC1 - Composition of regulatory own funds

Common Equity Tier 1 (CET1) capital: instruments and reserves		a 31-12-2023	a 31-12-2022	Source
1	Capital instruments and the related share premium accounts	**146**	**146**	
	of which: Instrument type 1	*146*	*146*	CC2-27 + CC2-28
	of which: Instrument type 2	-	-	
	of which: Instrument type 3	-	-	
2	Retained earnings	3,970	3,824	CC2-29
3	Accumulated other comprehensive income (and other reserves)	42	37	CC2-30 till CC2-33
EU-3a	Funds for general banking risk	-	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	-	
5	Minority interests (amount allowed in consolidated CET1)	-	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**4,158**	**4,006**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-11	-9	
8	Intangible assets (net of related tax liability) (negative amount)	-	-	
9	Not applicable	-	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-6	-14	
12	Negative amounts resulting from the calculation of expected loss amounts	-	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-4	-2	
15	Defined-benefit pension fund assets (negative amount)	-	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	

		a	a	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-	
20	Not applicable	-	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-	
EU-20c	of which: securitisation positions (negative amount)	-	-	
EU-20d	of which: free deliveries (negative amount)	-	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-	
24	Not applicable	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	
EU-25a	Losses for the current financial year (negative amount)	-	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-	
26	Not applicable	-	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-	
27a	Other regulatory adjusments *(including IFRS 9 transitional adjustments when relevant)*	-40	-16	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-61**	**-41**	
29	**Common Equity Tier 1 (CET1) capital**	**4,097**	**3,965**	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	**309**	**309**	
31	*of which: classified as equity under applicable accounting standards*	*309*	*309*	CC2-36
32	*of which: classified as liabilities under applicable accounting standards*	-	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	-	
35	*of which: instruments issued by subsidiaries subject to phase out*	-	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**309**	**309**	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-	

		a	a
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
41	Not applicable	-	-
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	**-**
44	**Additional Tier 1 (AT1) capital**	**309**	**309**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**4,406**	**4,274**
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	-
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	-
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	-
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	-
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	**-**	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Not applicable	-	-
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Empty set in the EU	-	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
56b	Other regulatory adjusments to T2 capital	-	-
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	-
58	**Tier 2 (T2) capital**	-	-
59	**Total capital (TC = T1 + T2)**	**4,406**	**4,274**
60	**Total risk exposure amount**	**9,564**	**11,403**

		a	a
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	42.84%	34.77%
62	Tier 1 (as a percentage of total risk exposure amount)	46.07%	37.48%
63	Total capital (as a percentage of total risk exposure amount)	46.07%	37.48%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.02%	9.20%
65	*of which: capital conservation buffer requirement*	2.50%	2.50%
66	*of which: countercyclical buffer requirement*	1.04%	0.07%
67	*of which: systemic risk buffer requirement*	0.00%	0.00%
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	1.00%	1.00%
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	0.98%	1.13%
68	**Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)**	36.32%	27.48%
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	-
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-	-
		-	-
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	91	104
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

BNG Bank's capitalisation is well above the fully-loaded capital requirements laid down in the Capital Requirements Directive (CRD). The capital structure consists mainly of common equity. The other part consists of additional Tier 1 instruments.

The authorised capital is divided into 100 million shares with a nominal value of EUR 2.50 each, of which 55,690,720 shares have been issued and fully paid up. The number of shares in circulation remained unchanged during the financial year. There are no issued shares that are not fully paid up. BNG Bank and its subsidiaries hold no company shares. None of the shares carry preferential rights, nor are they subject to restrictions. There are no options that can be exercised to obtain entitlement to the issuance of shares.

Equity attributable to the shareholders includes reserves which consist of a revaluation reserve, the cash flow hedge reserve, a reserve for fair value increases as well as retained earnings from previous years. This equity amounts to EUR 4,412 million at end of 2023 (2022: EUR 4,306 million). A full breakdown of total equity is included in the annual report (pp. 157-159).

The bank's Additional Tier 1 capital amounts to EUR 309 million. Additional Tier 1 capital concerns perpetual loans involving an annual non-cumulative discretionary payment on the outstanding principal amount, subject to compulsory amortisation in the event that the CET1 ratio falls below 5.125%. The payment qualifies as dividend under IFRS and is charged to the Other reserves. The instrument is structured in line with CRR requirements and the EBA guidelines and qualifies as Additional Tier 1 capital. BNG Bank has the unilateral contractual option of repaying the perpetual capital instruments on the sixth coupon due date and subsequently every year on the coupon due date.

The table shows the reconciliation of regulatory own funds to balance sheet.

		a Balance sheet as in published financial statements	b Under regulatory scope of consolidation	a Balance sheet as in published financial statements	b Under regulatory scope of consolidation	Source
		31-12-2023		31-12-2022		
	Assets					
1	Cash and balances held with central banks	1,617	1,617	6,821	6,821	
2	Amounts due from banks	622	622	346	346	
3	Cash collateral posted	4,751	4,751	4,144	4,144	
4	Financial assets at fair value through the income statement	911	911	901	901	
5	Derivatives	3,011	3,011	3,737	3,737	
6	Financial assets at fair value through other comprehensive income	10,193	10,193	7,398	7,398	
7	Interest-bearing securities at amortised cost	8,829	8,829	7,636	7,636	
8	Loans and advances at amortised costs	90,497	90,497	89,624	89,624	
9	Value adjustments on loans in portfolio hedge accounting	-5,037	-5,037	-8,679	-8,679	
10	Associates and joint ventures	22	22	24	24	
11	Property & equipment	15	15	13	13	
12	Other assets	89	89	109	109	
13	Current tax assets	18	18			
14	Assets held for sale	2	2	-	-	
15	**Total assets**	**115,540**	**115,540**	**112,074**	**112,074**	
	Liabilities					
16	Amounts due to banks	905	905	4,012	4,012	
17	Cash collateral received	656	656	1,173	1,173	
18	Financial liabilities at fair value through the income statement	260	260	185	185	
19	Derivatives	6,363	6,363	6,129	6,129	
20	Debt securities	96,344	96,344	90,774	90,774	
21	Funds entrusted	5,997	5,997	4,785	4,785	
22	Subordinated debts	18	18	38	38	
23	Current tax liabilities	-	-	11	11	
24	Deferred tax liabilities	19	19	14	14	
25	Other liabilities	257	257	338	338	
26	**Total Liabilities**	**110,819**	**110,819**	**107,459**	**107,459**	
	Equity					
27	Share capital	139	139	139	139	CC1-1
28	Share premium reserve	6	6	6	6	CC1-1
29	Retained earnings	3,970	3,970	3,824	3,824	CC1-2
30	Revaluation reserve	-8	-8	4	4	CC1-3
31	Cash flow hedge reserve	6	6	14	14	CC1-3
32	Own credit adjustment	4	4	2	2	CC1-3
33	Cost of hedging reserve	41	41	17	17	CC1-3
34	Net profit	254	254	300	300	
35	**Equity attributable to shareholders**	**4,412**	**4,412**	**4,306**	**4,306**	
36	Additional Tier 1 capital	309	309	309	309	CC1-31

		a	b	a	b
37	**Total equity**	**4,721**	**4,721**	**4,615**	**4,615**
38	**Total liabilities and equity**	**115,540**	**115,540**	**112,074**	**112,074**

EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

BNG Bank applies, in line with the Capital Requirements Regulations, the following prudential filters to the CET1 capital:
- The cash flow hedge reserve is eliminated.
- The benefits arising from own credit risk (DVA) in derivatives transactions are eliminated.
- The benefits arising from 'own credit risk' in relation to obligations classified as Financial liabilities at fair value through the income statement are eliminated.
- Due to the regulations on prudent valuation, an adjustment is calculated in relation to the balance sheet valuation of assets and liabilities that are carried at fair value.
- The investments in the development of software is activated and amortised over three years. After a correction for 'deferred tax', the total of these intangible assets is deducted.
- The expected credit loss allowance of Financial assets at fair value through OCI.

Due to a difference between the IFRS provisions and the supervisory expectations thereof for non performing loans, an additional CET1 deduction of EUR 3 million is applied.

BNG Bank does not have any positions with a 1250% solvency weighting in both 2023 and 2022.

BNG Bank N.V.			
1	Issuer	BNG Bank N.V.	BNG Bank N.V.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)		XS1453520378
2a	Public or private placement	private	private
3	Governing law(s) of the instrument	Laws of the Netherlands	Laws of the Netherlands
3a	Contractual recognition of write down and conversion powers of resolution authorities	n/a	yes
Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo / (sub-)consolidated / solo&(sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary share	Perpetual Capital Security
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date).	EUR 145	EUR 309
9	Nominal amount of instrument	EUR 139	EUR 309

BNG Bank N.V.			
EU-9a	Issue price	n/a	100% for 1st tranche at 28/07/2016 (two follow-up tranches were issued in second half of 2016 on same terms at 100.34% and 99.72% respectively)
EU-9b	Redemption price	n/a	Subject to write down
10	Accounting classification	Shareholders'equity	Equity
11	Original date of issuance	23 December 1914	28 July 2016
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	no maturity	no maturity
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates, and redemption amount	n/a	16 May 2022 and every interest payment date thereafter, Tax and/or regulatory event call, Redemption at prevailing principal amount
16	Subsequent call dates, if applicable	n/a	Interest payment date (16 May)
Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	n/a	4.742%, resettable on 16 May 2027 and every 5 years afterwards equal to prevailing 5-year Mid-Swap Rate plus initial margin
19	Existence of a dividend stopper	n/a	n/a
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	n/a	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	n/a	n/a
25	If convertible, fully or partially	n/a	n/a
26	If convertible, conversion rate	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a
30	Write-down features	No	Yes
31	If write-down, write-down trigger(s)	n/a	CET1 ratio < 5.125%
32	If write-down, fully or partially	n/a	Partially
33	If write-down, permanent or temporary	n/a	Temporary
34	If temporary write-down, description of write-up mechanism	n/a	Pro rata with other Discretionary Temporary Write-down Instruments, subject to MDA and Maximum Write-up Amount
34a	Type of subordination (only for eligible liabilities)	n/a	n/a
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 instruments	Tier 2 instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	n/a	n/a
37a	Link to the full term and condition of the instrument (signposting)	Private placement	Private placement

COUNTERCYCLICAL CAPITAL BUFFERS

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

	a	b	c	d	e	f	g	h	i	j	k	l	m
31-12-2023	**General credit exposures**		**Relevant credit exposures - market risk**		**Securitisation exposure**	**Total exposure value**	**Own funds requirements**				**Risk-weighted exposure amounts**	**Own funds require-ments weight (%)**	**Counter cyclical buffer rate (%)**
	Exposure value SA	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		Relevant credit exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Belgium	113	-	-	-	-	**113**	9	-	-	**9**	**113**	1.64%	0.00%
Germany	151	-	-	-	-	**151**	7	-	-	**7**	**88**	1.27%	0.75%
Spain	-	-	-	-	132	**132**	-	-	3	**3**	**42**	0.60%	0.00%
France	509	-	-	-	283	**792**	5	-	3	**8**	**97**	1.40%	0.50%
Great Britain	1,602	-	-	-	-	**1,602**	45	-	-	**45**	**557**	8.06%	2.00%
Ireland	27	-	-	-	-	**27**	2	-	-	**2**	**27**	0.39%	1.00%
Italy	-	-	-	-	59	**59**	-	-	1	**1**	**12**	0.17%	0.00%
Netherlands	7,915	-	-	-	4,063	**11,978**	439	-	38	**477**	**5,964**	86.28%	1.00%
Portugal	-	-	-	-	31	**31**	-	-	1	**1**	**13**	0.19%	0.00%
United States	-	-	-	-	-	**-**	-	-	-	**-**	**-**	0.00%	0.00%
Total	**10,317**	**-**	**-**	**-**	**4,568**	**14,885**	**507**	**-**	**46**	**553**	**6,913**	**100.00%**	

31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		**Relevant credit exposures - market risk**		**Securitisation exposure**	**Total exposure value**	**Own funds requirements**				**Risk-weighted exposure amounts**	**Own funds require-ments weight (%)**	**Counter cyclical buffer rate (%)**
	Exposure value SA	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		Relevant credit exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Belgium	177	-	-	-	19	196	14	-	0	**14**	**178**	2.18%	0.00%
Germany	234	-	-	-	-	234	14	-	-	**14**	**170**	2.09%	0.00%
Spain	-	-	-	-	187	187	-	-	6	**6**	**79**	0.98%	0.00%
France	271	-	-	-	277	548	5	-	2	**7**	**91**	1.13%	0.00%
Great Britain	1,272	-	-	-	-	1,272	46	-	-	**46**	**570**	7.02%	0.07%
Ireland	60	-	-	-	-	60	5	-	-	**5**	**60**	0.74%	0.00%
Italy	-	-	-	-	63	63	-	-	1	**1**	**13**	0.16%	0.00%
Netherlands	8,073	-	-	-	4,856	12,929	505	-	50	**556**	**6,945**	85.47%	0.00%
Portugal	-	-	-	-	37	37	-	-	2	**2**	**20**	0.24%	0.00%
United States	-	-	-	-	-	-	0	-	-	**0**	**-**	0.00%	0.00%
Total	**10,087**	**-**	**-**	**-**	**5,439**	**15,527**	**589**	**-**	**61**	**650**	**8,126**	**100.00%**	

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

	Amount of institution-specific countercyclical capital buffer	a **31-12-2023**	b **31-12-2022**
1	Total risk exposure amount	9,564	11,403
2	Institution specific countercyclical buffer rate	1.04%	0.07%
3	Institution specific countercyclical buffer requirement	100	8

LEVERAGE RATIO

EU LR1 - Summary reconciliation of accounting assets and leverage ratio exposures

		a	a
		31-12-2023	31-12-2022
1	**Total assets as per published financial statements**	**115,540**	**112,074**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	0
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	0
7	Adjustment for eligible cash pooling transactions	-	0
8	Adjustments for derivative financial instruments	1,477	-1,391
9	Adjustments for securities financing transactions "SFTs"	143	24
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,910	4,281
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-2,129
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	0
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	0
12	Other adjustments	-86,084	-79,938
13	**Total leverage ratio exposure**	**32,986**	32,920

EU LR2 - Leverage ratio common disclosure

		a	a
		CRR Leverage ratio exposures	
		31-12-2023	31-12-2022
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	117,498	116,928
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-4,683	-4,055
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-61	-41
7	**Total on-balance sheet exposures (excluding derivatives, SFTs)**	**112,754**	**112,831**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,547	587
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	2,941	1,759
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures**	**4,488**	**2,346**
	Securities financing transaction exposures		
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,560	919
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-1,493	-836
16	Counterparty credit risk exposure for SFT assets	142	3
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**209**	**87**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	10,556	11,164
20	(Adjustments for conversion to credit equivalent amounts)	-8,646	-9,013
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**1,910**	**2,151**
	Excluded exposures		

		a	a
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-86,375	-84,495
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**-86,375**	**-84,495**
	Capital and total exposures		
23	Tier 1 capital	4,406	4,274
24	Total exposure measure	32,986	32,920
	Leverage ratio		
25	Leverage ratio	13.36%	12.98%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	3.69%	3.64%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	13.36%	12.98%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	549	149
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	67	84
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,468	32,986
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,468	32,986
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.16%	12.96%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.16%	12.96%

EU LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a	a
		CRR Leverage ratio exposures	
		31-12-2023	31-12-2022
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**26,440**	**28,377**
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	26,440	28,377
EU-4	Covered bonds	2,646	1,688
EU-5	Exposures treated as sovereigns	11,424	13,127
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	434	33
EU-7	Institutions	537	461
EU-8	Secured by mortgages of immovable properties	-	-
EU-9	Retail exposures	-	-
EU-10	Corporate	6,234	6,839
EU-11	Exposures in default	519	720
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	4,646	5,510

EU LRA - Disclosure of LR qualitative information

The leverage ratio requirement is applicable to BNG Bank from a regulatory perspective. Public development credit institutions such as BNG Bank are allowed to deduct promotional loans from the exposure measure. Internally BNG Bank also defines a minimum requirement for the unadjusted leverage ratio. The unadjusted leverage ratio is the leverage ratio defined in CRR2 without deducting promotional loans from the exposure measure.

A minimum target capitalization is applied for the leverage ratio, as well as for the unadjusted leverage ratio.
The minimum targets are based on regulatory requirements, ratings from rating agencies and the capitalization of peers. On top of that, a buffer is defined to take into account additional risks, such that the minimum requirements are not breached in institution specific adverse scenarios. The business planning is such that the targets are adhered to. As described in the section "EU OVC - ICAAP information" of this report, on an ongoing basis, capital adequacy is measured and monitored against target capital ratios.

In case the capital planning for the leverage ratio would show a potential shortfall, the bank would consider capital measures as well as balance sheet measures, with a preference to capital measures in order not to curtail client lending.

The leverage ratio at year-end 2023 was 13.36%, higher than the 12.98% at the end of 2022. The leverage ratio mainly increased due to a higher Tier 1 Capital. The exposure measure at year-end 2023 is in line with year-end 2022.

LIQUIDITY REQUIREMENTS

EU LIQA - Liquidity risk management

The Treasury and Capital Markets department is the 'first line of defense', and is responsible for the day-to-day liquidity and funding risk management. The department, in this role, is responsible for attracting funding. They are mandated to assume a liquidity risk position within the limits and triggers stated by the liquidity and funding risk policy. They operate on the basis of the annual funding plan. This plan is approved by the Asset & Liability Committee (ALCO), which also decides in case of significant deviations during the year.

Risk Management is the 'second line of defense' and is tasked to monitor liquidity risk independently. It performs daily reviews to ensure the risk positions are within the limits cascaded from the Risk Appetite and set by the ALCO. Measurements in scope are related to liquidity gap, refinancing risk and stress testing. Risk Management independently prepares reports for the ALCO, challenges the first line and provides risk analyses and advice, both proactively and upon request. Moreover, Risk Management department also periodically updates the assumptions used, maintains the set of policies, frameworks, tooling, procedures and reporting, and incorporates new regulations in their revision. By participating in the product approval process, the department also plays an important role in identifying and assessing (new) market risks caused by new or changed activities.

The Contingency Funding Plan (CFP) can be activated when there is a potential need to provide liquidity due to a breach of the limits or limit values, or if this is deemed necessary by Treasury and Capital Markets, Risk Management or the ALCO. Temporary procedures for more intensive liquidity management and temporary control of liquidity management by the liquidity continuity team form the key elements of this plan.

BNG Bank wants to maintain a constant and stable presence in the capital markets, because BNG Bank wants to meet the demand for credit from its clients even in difficult times. It also pursues a prudent liquidity policy to ensure that it can meet its obligations at all times. In this context, ongoing access to the money and capital markets is essential, along with the ongoing maintenance of attractive, varied and sufficiently large issuance programmes for investors. In addition, buffers are required in order to have access to liquidity in times of stress. One such buffer is formed by assets held explicitly for liquidity purposes, known as the liquidity portfolio. The management of the size and composition of this portfolio is one of the liquidity measures taken to comply with the requirement under the CRR to have a Liquidity Coverage Ratio of at least 100%.

BNG Bank also holds ample quantity of collateral in the Central Bank Depot, which enables it to obtain immediate short-term funding. Since assets could serve as collateral at the ECB, this collateral may be further extended in the event of prolonged stress. The size of the buffers is tested in the liquidity stress tests, which are monitored on at least a monthly basis. Furthermore, the funding plan and the corresponding planned liquidity gap are tested in an adverse normative stress scenario for the LCR and Net Stable Funding Ratio (NSFR) ratios.

Despite the adverse and challenging market and geopolitical conditions, BNG Bank considers its liquidity management to have been adequate in 2023 and the strength of the liquidity position to be amply sufficient as well as compliant with the regulatory standards and limits set by the ALCO. All in all, BNG Bank was able to operate effectively both on the capital markets and on the money markets. BNG Bank remained within its risk appetite regarding liquidity risk. As at end of 2023, the LCR ratio amounted to 143% (2022: 189%) and the NSFR ratio amounted to 119% (2022: 125%).

EU LIQ1 - Quantitative information of LCR

Following the retrenchment of the TLTRO conditions, BNG Bank decided to redeem TLTRO funding in respectively June 2023 and December 2023. By the end of 2023, BNG Bank had no outstanding TLTRO funding.

The outstanding amount of collateral in 2023 is in line with 2022, amounting to EUR 2.1 billion.

		a	b	c	d	e	f	g	h	i	j
	Scope of consolidation (consolidated)			**Total unweighted value**					**Total weighted value**		
EU 1a	**Currency and units (EUR million)**	**31-12-2023**	**30-9-2023**	**30-6-2023**	**31-3-2023**	**31-12-2022**	**31-12-2023**	**30-9-2023**	**30-6-2023**	**30-6-2023**	**31-12-2022**
EU 1b	**Number of data points used in the calculation of averages**	12	**12**	**12**	**12**	**12**	12	**12**	**12**	**12**	**12**
	High-quality liquid assets										
1	**Total high-quality liquid assets (HQLA)**						36,708	41,068	44,170	44,437	42,792
	Cash-outflows								-	-	
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-	-	-
3	- Stable deposits	-	-	-	-	-	-	-	-	-	-
4	- Less stable deposits	-	-	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	21,737	**23,601**	**25,321**	**23,881**	**21,495**	19,198	**20,947**	**22,546**	**21,194**	**18,987**
6	- Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j
7	- Non-operational deposits (all counterparties)	5,429	5,715	6,450	6,283	6,130	2,890	3,061	3,675	3,595	3,622
8	- Unsecured debt	16,308	17,886	18,871	17,599	15,365	16,308	17,886	18,871	17,599	15,365
9	Secured wholesale funding						156	**156**	**253**	**762**	**1,359**
10	Additional requirements	7,501	**7,489**	**7,576**	**7,410**	**7,784**	4,905	**4,923**	**4,948**	**4,918**	**5,391**
11	- Outflows related to derivative exposures and other collateral requirements	5,514	5,454	5,540	5,371	5,741	4,708	4,722	4,747	4,715	5,188
12	- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
13	- Credit and liquidity facilities	1,987	2,035	2,036	2,040	2,043	197	201	201	203	203
14	Other contractual funding obligations	708	**665**	**710**	**719**	**882**	704	**653**	**694**	**705**	**871**
15	Other contingent funding obligations	6,473	**6,456**	**6,356**	**6,577**	**6,515**	630	**626**	**615**	**636**	**631**
16	**Total cash outflows**						**25,593**	**27,305**	**29,056**	**28,214**	**27,238**
	Cash-inflows										
17	Secured lending (eg reverse repos)	1,375	1,455	1,020	510	247	125	125	138	124	167
18	Inflows from fully performing exposures	1,455	1,488	1,506	1,627	1,781	850	842	850	911	990
19	Other cash inflows	2,306	1,878	1,986	1,964	2,260	2,306	1,878	1,986	1,965	2,260
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)						-	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)						-	-	-	-	-
20	**Total cash inflows**	**5,136**	**4,821**	**4,512**	**4,101**	**4,289**	**3,281**	**2,845**	**2,975**	**3,000**	**3,418**
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	3,930	3,534	3,631	3,715	4,209	3,281	2,845	2,975	3,000	3,418
	Total Adjusted value										
21	**Liquidity buffer**						**36,628**	**41,051**	**44,152**	**44,420**	**42,774**
22	**Total net cash outflows**						**22,312**	**24,460**	**26,082**	**25,215**	**23,820**
23	**Liquidity coverage ratio (%)**						**167%**	**173%**	**171%**	**181%**	**183%**

EU LIQB - Qualitative information on LCR, which complements template EU LIQ1

The template provides an overview of the LCR during 2023. For disclosure purposes, our LCR is based on the average of 12 data points for each quarter. The LCR remains well above the regulatory minimum requirements.

The liquidity buffer is composed of cash and high-quality securities. At BNG Bank, this buffer consists mainly of Level 1 high quality liquid assets.

Funding outflows and outflows related to derivative exposures and collateral requirements are the main drivers for the liquidity outflow. The main items that affect the inflows of the LCR are the payments from fully performing exposures. The figures in LCR are steady for over a year and there are no significant changes in 2023.

The majority of funding is acquired from international capital markets. BNG Bank distinguishes between short-term and long-term funding (turning point: 1 year). BNG Bank maintains a number of issuance programmes that enable it to have access to funding at all times at competitive levels. BNG Bank pursues proactive investor relations which support these efforts.

BNG Bank uses derivatives (interest rate swaps and cross currency swaps) to mitigate its interest rate risk and currency risk. The additional collateral requirements in the event of a decline in fair value of derivatives are based on a historical lookback approach.

The main currencies for BNG Bank are euro and US dollar. The liquidity buffer consists almost entirely of cash and securities in euros.

Following the retrenchment of the TLTRO conditions, BNG Bank decided to redeem TLTRO funding in respectively June 2023 and December 2023. By the end of 2023, BNG Bank had no outstanding TLTRO funding.

Funding types

The following resources are used for short-term funding (money markets):

- Commercial Paper: The bank has a European Commercial Paper (ECP) programme of EUR 20 billion and a US Commercial Paper (USCP) programme of USD 20 billion. Under normal market circumstances, a substantial margin is maintained between the maximum size allowed under the programme and the bank's actual usage.
- Uncleared repurchase transactions with interbank parties under a Global Master Repurchase Agreement (GMRA), where the bank's liquidity portfolio is used to pledge as collateral.
- Deposits from institutional money market parties.

The following programmes are available for long-term funding (capital markets):
- Debt Issuance Programme (DIP) of EUR 100 billion. Socially Responsible Investing (SRI) bonds are also issued under this programme.
- Kangaroo-Kauri Programme of AUD 10 billion, specifically for the Australian and New Zealand market.
- Samurai shelf registration and Uridashi shelf registration, specifically for Japanese investors.
- Namen-Schuld-Verschreibungen (NSV), under German Law.
- Private loan agreements under different legislations.

The bank also uses the following alternative funding sources:
- Long-term funding instruments provided by the European Central Bank, such as TLTRO.
- Global loans from the European Investment Bank and the Council of Europe Development Bank.
- Guaranteed Investment Contracts (GICs).

Note that the bank does not enter into transactions with private individuals.

The bank has a funding plan, in which the desired funding mix is described in detail. Part of the funding plan is the annual issuance in benchmark size to maintain a 'BNG curve' in the market. These large-scale issuances of an issuer with its creditworthiness linked to the Dutch state ensure that the bank has a high profile among investors, allowing it to retain access to investors even in times of market stress. The actual realisation of this desired funding mix or the reason for diverging from it is monitored and evaluated by the ALCO, by means of a quarterly funding dashboard provided by Treasury.

EU LIQ2 - Net Stable Funding Ratio

		a	b	c	d	e
31-12-2023		**Unweighted value by residual maturity**				**Weighted value**
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,097	309	-	-	4,097
2	*- Own funds*	*4,097*	*309*	-	-	*4,097*
3	*- Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*- Stable deposits*		-	-	-	-
6	*- Less stable deposits*		-	-	-	-
7	Wholesale funding:		20,261	7,236	77,625	83,034
8	*- Operational deposits*		-	-	-	-

		a	b	c	d	e
9	*- Other wholesale funding*		20,261	7,236	77,625	83,034
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	680	-	-	-
12	*- NSFR derivative liabilities*	-				
13	*- All other liabilities and capital instruments not included in the above categories*		680	-	-	-
14	**Total available stable funding (ASF)**					**87,131**

31-12-2023		**Unweighted value by residual maturity**				**Weighted value**
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					1,709
EU-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		6,216	4,645	83,872	70,395
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		998	489	1,921	2237
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		5,104	4,109	80,076	66,478
21	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		2,370	1,631	30,963	22,127
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		115	46	1,875	1,679
25	Interdependent assets		-	-	-	-
26	Other assets:		426	41	3,133	886
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	2,773	2,358
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,468			223
31	*All other assets not included in the above categories*		-4,042	41	360	-1,695
32	Off-balance sheet items		38	65	1,663	96
33	**Total RSF**					**73,086**

34	Net Stable Funding Ratio (%)	119.22%

30-9-2023		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,067	-	309	-	4,067
2	*- Own funds*	*4,067*	-	*309*	-	*4,067*
3	*- Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*- Stable deposits*		-	-	-	-
6	*- Less stable deposits*		-	-	-	-
7	Wholesale funding:		39,049	13,117	73,375	82,507
8	*- Operational deposits*		-	-	-	-
9	*- Other wholesale funding*		*39,049*	*13,117*	*73,375*	*82,507*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	721	-	-	-
12	*- NSFR derivative liabilities*	-				
13	*- All other liabilities and capital instruments not included in the above categories*		*721*	-	-	-
14	**Total available stable funding (ASF)**					**86,574**

30-9-2023						
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					1,746
EU-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		7,264	7,182	80,557	69,897
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*889*	*1,030*	*1,882*	*2460*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*5,743*	*6,006*	*76,916*	*65,548*
21	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*2,593*	*3,747*	*28,633*	*21,781*
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-

30-9-2023		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*633*	*146*	*1,759*	*1,889*
25	Interdependent assets		-	-	-	-
26	Other assets:		-7,565	16	2,789	-2,680
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	*2,409*	*2,048*
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		*2,862*			*143*
31	*All other assets not included in the above categories*		*-10,427*	*16*	*380*	*-4,871*
32	Off-balance sheet items		60	35	1,917	109
33	**Total RSF**					**69,072**
34	**Net Stable Funding Ratio (%)**					**125.34%**

		a	b	c	d	e
31-12-2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	3,965	309	-	-	3,965
2	*- Own funds*	*3,965*	*309*	-	-	*3,965*
3	*- Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*- Stable deposits*		-	-	-	-
6	*- Less stable deposits*		-	-	-	-
7	Wholesale funding:		13,729	8,902	77,973	83,974
8	*- Operational deposits*		-	-	-	-
9	*- Other wholesale funding*		*13,729*	*8,902*	*77,973*	*83,974*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	391	-	-	-
12	*- NSFR derivative liabilities*	-				
13	*- All other liabilities and capital instruments not included in the above categories*		*391*	-	-	-
14	**Total available stable funding (ASF)**					**87,938**

31-12-2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					962
EU-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		7,545	5,510	81,137	70,750
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*1,244*	*39*	*945*	*1046*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*6,247*	*4,804*	*77,620*	*67,151*
21	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*3,143*	*1,766*	*30,504*	*24,032*
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*54*	*667*	*2,572*	*2,552*
25	Interdependent assets		-	-	-	-
26	Other assets:		2,404	89	2,515	-1,554
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	*2,026*	*1,722*
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		*3,977*			*199*
31	*All other assets not included in the above categories*		*-1,573*	*89*	*489*	*-3,475*
32	Off-balance sheet items		14	62	1,957	111
33	**Total RSF**					**70,268**
34	**Net Stable Funding Ratio (%)**					**125.15%**

CREDIT RISK

Credit risk quality

EU CRA - General qualitative information about credit risk

In the application of the articles 442 to 453 of the CRR, the templates and tables in this section provide further qualitative and quantitative insight into the credit risk profile of BNG Bank. This chapter starts with information with respect to the credit quality of assets. Following, the use of credit mitigation techniques that are applied. Finally, insights will be provided on how credit risk management is conducted concerning clients and/or counterparties.

All clients are subject to an assessment of creditworthiness whereby an estimate of the credit risk is made based on financial and non-financial drivers using BNG Bank's internal methodologies. Regarding zero-weighted loans, even though the expected loss remains zero, the outcome could have impact on the intensity of monitoring depending on the risk profile of the specific client. BNG Bank has sector specific policy papers which details the risk appetite of BNG Bank in various market segments. In addition, the internal risk assessment process is tailored for transactions that includes the assessment of operational risk elements. Hereby extensive qualitative product descriptions are used, in which the appropriateness of the product for different types of clients is made explicit.

BNG Bank only conducts business with financial counterparties where the highest rating is a minimum an 'A-rating' from an external agency. BNG Bank uses external credit assessment institutions (ECAIs) which are approved by the Eurosystem credit assessment framework (ECAF) (e.g. Moody's, DBRS, Fitch and S&P). Financial counterparties are periodically assessed for creditworthiness. If necessary, the limit on the maximum exposure to such a counterparty is adjusted accordingly. The Financial Counterparties Committee sets limits and monitors positions with financial counterparties.

Interest-Bearing Securities portfolio

BNG Bank's total Interest-Bearing Securities portfolio can be subdivided into a Liquidity portfolio, an Asset & Liability Management (ALM) and a Credit portfolio.

The Liquidity-portfolio consists exclusively of highly negotiable securities and is subdivided according to the various Liquidity Coverage Ratio (LCR) levels.

The ALM-portfolio is subdivided according to the type of security. Using factors such as external ratings and – in part – internal ratings, BNG Bank monitors the development on an individual basis. The securities qualifying under the liquidity coverage requirement are subject to a due diligence review process. The assets within these portfolios undergo an impairment analysis twice a year.

The Credit-portfolio consists of several interest-bearing securities which are issued by our lending customers, except for the municipalities. These securities follow the regular lending processes regarding monitoring of creditworthiness and credit classification.

Governance

The first line of defence is comprised by Lending, Relationship Banking and Treasury and Capital Markets. These departments are responsible for the day-to-day management of credit risks. The Lending department and the Relationship Banking department are primarily responsible for managing credit risks arising from commercial activities. The Treasury and Capital Markets department is primarily responsible for managing the bank's credit risks from financial counterparties and investments.

The Credit Risk Assessment department (at the individual client level) and the Risk Management department (at the portfolio level) share responsibility as the second line of defence for assessing, quantifying, monitoring and reporting on credit risks. These departments operate independently of the commercial departments, which are the risk owners of the credit risk.

The Credit Risk Assessment department produces an independent opinion on every credit proposal. The decision-making process is based on the proposed internal credit assessment, the rating resulting from the assessment and the size of the loan. BNG Bank's risk appetite determines the maximum level of credit risk the bank is prepared to accept for a client with a specific internal credit rating or score. The credit proposal must be in line with this maximum risk. Depending on the size of the exposure and the risk profile, the Credit Committee (CC) approves whether the risk is acceptable. For loans and advances with a limited risk, the credit decision is delegated within the organisation. The CC is chaired by the Chief Risk Officer (CRO), and comprises ofthe Chief Commercial Officer (CCO) and representatives of the Credit Risk Assessment department and Relationship Banking.

Following the approval of a credit proposal and the acceptance of the offer by the client, the credit management process starts. This includes the following elements:
- The file is completed with relevant documentation by the CCO Teams.
- The CCO Teams are responsible for file management, including the monitoring of securities and covenants.

The creditworthiness is reviewed at least once a year. This involves an update of the internal rating or score. Every credit review follows the credit risk assessment criteria set in BNG Bank's credit risk policy. The Credit Committee evaluates these reviews. A delegation model applies here as well. Loans and advances whose credit quality (rating or score) has fallen below a specific level are subject to increased management oberservations and, if necessary, are transferred to the Financial Restructuring and Recovery department (FR&R).

In below table, a description is provided of the specific internal ratings within BNG Bank.

Internal rating	Description
0	Zero risk-weighted lending.
1 through 11	The credit risk is deemed acceptable. A regular annual review is performed.
12 through 13	Watch list: there is an increased credit risk. A review takes place at least twice a year.
14 through 16	Financial restructuring and recovering department: there is an increased creditrisk. At least three times a year, a report on these debtors is submitted to the Executive Board.
17 through 19	Financial restructuring and recovering department: there is an increased credit risk and/or the debtor repeatedly fails to fulfil the payment obligations and/or there is no expectation of continuity. At least three times a year, a report on these debtors is submitted to the Executive Board.

Furthermore, below table provides an overview of the distribution of the loan portfolio across those ratings.

	31-12-2023		31-12-2022	
Loans and advances	**Exposure to loans and advances and off-balance, excluding incurred loss provision**	**% of total**	**Exposure to loans and advances and off-balance, excluding incurred loss provision**	**% of total**
Zero-risk-weighted	**89,148**	**86.82%**	**88,315**	**86.42%**
Non-zero-risk-weighted				
Internal rating:				
- 1 through 11	12,249	11.93%	12,079	11.82%
- 12 through 13	340	0.33%	288	0.28%
- 14 through 17	645	0.63%	774	0.76%
- 18 through 19	304	0.30%	737	0.72%
	13,538	**13.18%**	**13,878**	**13.58%**
Total	**102,685**	**100.00%**	**102,193**	**100.00%**

BNG Bank has an internal risk management organization that serves to control its credit risks. This organization is in line with the diversity and complexity of the lending activities, and is structured as follows:

- The Credit Committee, the head of Credit Risk Assessment or a team lead of Credit Risk Assessment decides on accepting or declining credit risk in connection to loans on individual client level.
- The Credit Risk Policy Committee determines the relevant policies and monitors and manages risks in relation to lending on a portfolio level.

The Credit Committee Treasury is mandated to determine and manage the credit policy for financial counterparties and to approve individual agreements with financial counterparties. In addition, the Treasury Credit Committee monitors and manages the bank's credit risks with financial counterparties and investments, including the impact that ESG factors can have on these matters. The ALCO decides on the capitalization and pricing of credit risk and stress testing. It also provides advise on the implementation of new (relevant) regulations. Furthermore, ALCO approves on strategies for investments in interest-bearing securities.

The Credit Risk Assessment department (on individual client level) and the Risk Management department (on portfolio level) share second line responsibility for assessing, quantifying, monitoring and reporting credit risk. These departments operate independently from the CCO domain and the Treasury department, which are the risk owners and which have first line responsibilities for credit risk.

EU CRB - Additional disclosures related to the credit quality of assets

Forborne exposures
Forbearance concerns credit agreements whose credit conditions have been amended in the debtor’s favor as a result of the debtors precarious financial position, so as to enable it to fulfill its obligations. This concession would not have been facilitated if the borrower had not experienced financial difficulties.

Non-performing exposures
BNG Bank applies the following criteria to designate exposures as non-performing:
- BNG Bank considers that the obligor is unlikely to pay its credit obligations to the bank (unlikeliness to pay trigger);
- The obligor is past due 90 days or more on any material credit obligation to the bank;
- The obligor is past due 30 days or more on a forborne credit obligation to the bank;
- Additional contract adjustments in favor of the obligor on a forborne credit obligation.

The bank employs various indicators for ‘unlikeliness to pay’. There are ‘hard’ triggers, ‘soft’ triggers and triggers specific for forborne exposures.

The term ‘past due’ refers to the payment arrears commencing at the moment on which payment was contractually due.

During 2023 and the beginning of 2024 progress is made on sharpening the definition of default and non-performing exposures.

An exposure classified as non-performing can once again be regarded as performing if both of the following two conditions are met:

- 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');
- An analysis of the obligor's financial situation has shown that the transactions no longer meet the conditions to be considered non-performing.

In addition, BNG Bank uses a number of additional outflow criteria for non-performing exposures with forbearance status.

Impairment of financial assets

BNG Bank assesses on a forward-looking basis the expected credit losses (ECL). Financial assets that are not accounted as Fair Value through Profit and Loss migrate through the following three stages based on the change in credit risk since initial recognition. When a modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified asset, the date of modification shall be regarded as the date of initial recognition.

Stage 1: 12-month ECL

BNG Bank recognises an ECL allowance reflecting default events that are possible within the next 12 months for exposures without a significant increase in credit risk (SICR) since initial recognition, or fall under the low credit risk exemption.

Stage 2: lifetime ECL – not credit-impaired

BNG Bank recognises an ECL allowance reflecting default events that are possible during the remaining lifetime of the financial assets for exposures which have had a significant increase in credit risk since initial recognition and do not fall under the low credit risk exemption, but which are not considered credit-impaired.

Stage 3: lifetime ECL – credit-impaired

BNG Bank assesses on an individual exposure level whether exposures are credit-impaired. This assessment is based on whether one or more events have occurred that have a detrimental impact on the estimated future cash flows of that asset.

Credit-impaired exposures are financial assets measured at amortized cost or fair value through other comprehensive income and off-balance sheet exposures for which a Stage 3 credit loss allowance was made. Exposures classified under Stage 1 or 2 are not classified as credit-impaired exposures.

EU CR1 - Performing and non-performing exposures loans and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	31-12-2023	**Gross carrying amount/nominal amount**						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write-off**	**Collateral and financial guarantees received**	
		Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Of which: Stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3		Of which: Stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3		On performing exposures	On non-performing exposures
005	**Cash balances at central banks and other demand deposits**	**1,620**	**1,620**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**95,635**	**94,174**	**1,195**	**598**	**-**	**598**	**-19**	**-5**	**-14**	**-80**	**-**	**-80**	**-**	**55,065**	**436**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,577	32,513	-	-	-	-	-1	-1	-	-	-	-	-	927	-
040	Credit institutions	4,868	4,868	-	-	-	-	-	-	-	-	-	-	-	618	-
050	Other financial corporations	1,441	1,390	51	37	-	37	-1	-	-1	-7	-	-7	-	399	31
060	Non-financial corporations	53,819	52,875	742	491	-	491	-14	-3	-11	-68	-	-68	-	50,719	372
070	*of which SMEs*	13,793	13,634	116	133	-	133	-3	-	-3	-	-	-	-	13,681	133
080	Households	2,930	2,528	402	70	-	70	-3	-1	-2	-5	-	-5	-	2,402	33
090	**Debt Securities**	**19,667**	**18,962**	**61**	**-**	**-**	**-**	**-1**	**-**	**-1**	**-**	**-**	**-**	**-**	**2,674**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	10,511	10,472	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,314	3,235	-	-	-	-	-	-	-	-	-	-	-	2,205	-
130	Other financial corporations	4,682	4,621	61	-	-	-	-1	-	-1	-	-	-	-	188	-
140	Non-financial corporations	1,160	634	-	-	-	-	-	-	-	-	-	-	-	281	-
150	**Off-balance-sheet exposures**	**10,465**	**10,304**	**160**	**92**	**-**	**92**	**-1**	**-**	**-1**	**-5**	**-**	**-5**	**-**	**4,362**	**67**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	4,478	4,478	-	-	-	-	-	-	-	-	-	-	-	97	-
180	Credit institutions	6	6	-	-	-	-	-	-	-	-	-	-	-	6	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
190	Other financial corporations	720	720	-	7	-	7	-	-	-	-	-	-	-	703	7
200	Non-financial corporations	4,719	4,619	100	77	-	77	-	-	-	-5	-	-5	-	3,257	60
210	Households	542	481	60	8	-	8	-1	-	-1	-	-	-	-	299	-
220	**Total**	**127,387**	**125,060**	**1,416**	**690**	**-**	**690**	**-21**	**-5**	**-16**	**-85**	**-**	**-85**	**-**	**62,101**	**503**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	31-12-2022	**Gross carrying amount/nominal amount**						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write-off**	**Collateral and financial guarantees received**	
		Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Of which: Stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3		Of which: Stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3		On performing exposures	On non-performing exposures
005	**Cash balances at central banks and other demand deposits**	**6,824**	**6,824**	**-**	**-**	**-**	**-**	**-0**	**-0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**93,691**	**91,373**	**2,046**	**849**	**-**	**849**	**-29**	**-8**	**-21**	**-129**	**-**	**-129**	**-**	**53,123**	**596**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,431	32,368	0	-	-	-	-1	-1	-0	-	-	-	-	578	-
040	Credit institutions	4,073	4,073	-	-	-	-	-0	-0	-	-	-	-	-	340	-
050	Other financial corporations	1,143	1,143	0	41	-	41	-0	-0	-	-9	-	-9	-	393	32
060	Non-financial corporations	53,018	51,755	1,055	763	-	763	-23	-6	-18	-113	-	-113	-	49,284	552
070	*of which SMEs*	13,323	13,262	30	264	-	264	-0	*-0*	-0	-13	-	-13	-	13,246	250
080	Households	3,026	2,035	992	45	-	45	-5	-1	-3	-7	-	-7	-	2,528	12
090	**Debt Securities**	**15,666**	**14,950**	**86**	**-**	**-**	**-**	**-2**	**-1**	**-2**	**-**	**-**	**-**	**-**	**2,106**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	6,611	6,570	-	-	-	-	-0	-0	-	-	-	-	-	-	-
120	Credit institutions	2,210	2,131	-	-	-	-	-0	-0	-	-	-	-	-	1,594	-
130	Other financial corporations	5,625	5,539	86	-	-	-	-2	-0	-2	-	-	-	-	193	-
140	Non-financial corporations	1,220	710	-	-	-	-	-0	-0	-	-	-	-	-	318	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
150	**Off-balance-sheet exposures**	**10,882**	**10,608**	**274**	**282**	**-**	**282**	**-1**	**-0**	**-0**	**-2**	**-**	**-2**	**-**	**1,188**	**-**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	3,853	3,853	-	-	-	-	-0	-0	-	-	-	-	-	98	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	1,254	1,254	-	7	-	7	-0	-0	-	-	-	-	-	474	-
200	Non-financial corporations	5,184	5,054	130	260	-	260	-0	-0	-0	-2	-	-2	-	444	-
210	Households	590	447	144	15	-	15	-0	-0	-0	-	-	-	-	172	-
220	**Total**	**127,064**	**123,756**	**2,406**	**1,131**	**-**	**1,131**	**-32**	**-9**	**-23**	**-131**	**-**	**-131**	**-**	**56,418**	**596**

EU CR1-A - Maturity of exposures

		a	b	c	d	e	f
	31-12-2023			**Net exposure value**			
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	**Total**
1	Loans and advances	1,142	3,223	10,758	76,764	-	**91,887**
2	Debt securities	-	624	4,307	14,735	-	**19,666**
3	**Total**	**1,142**	**3,847**	**15,065**	**91,499**	**-**	**111,553**

		a	b	c	d	e	f
	31-12-2022			**Net exposure value**			
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	**Total**
1	Loans and advances	4,779	4,377	11,005	74,379	-	**94,540**
2	Debt securities	131	657	3,357	11,521	-	**15,666**
3	**Total**	**4,911**	**5,034**	**14,362**	**85,900**	**-**	**110,206**

The exposure values in this table do not include off-balance exposure in contrast to the other tables. The total credit exposure is therefore lower than in the other tables.

EU CR2 - Changes in the stock of non-performing loans and advances

		a	a
		Gross carrying amount	
		31-12-2023	31-12-2022
010	**Initial stock of non-performing loans and advances**	**848**	**549**
020	Inflows to non-performing portfolios	40	519
030	Outflows from non-performing portfolios	290	220
040	- Outflows due to write-offs	60	111
050	- Outflow due to other situations	230	109
060	**Final stock of non-performing loans and advances**	**598**	**848**

EU CQ1 - Credit quality of forborne exposures

	31-12-2023	a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which: defaulted	Of which: impaired				
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-
010	**Loans and advances**	**169**	**93**	**93**	**93**	**-4**	**-31**	**159**	**47**
020	- Central banks	-	-	-	-	-	-	-	-
030	- General governments	-	-	-	-	-	-	-	-
040	- Credit institutions	-	-	-	-	-	-	-	-
050	- Other financial corporations	-	9	9	9	-	-3	6	6
060	- Non-financial corporations	163	84	84	84	-4	-28	147	41
070	- Households	6	-	-	-	-	-	6	-
080	**Debt Securities**	-	-	-	-	-	-	-	-
090	**Loan commitments given**	**19**	**10**	**10**	**10**	-	-	**8**	**8**

		a	b	c	d	e	f	g	h
100	**Total**	**188**	**103**	**103**	**103**	**-4**	**-31**	**167**	**55**

		a	b	c	d	e	f	g	h
	31-12-2022	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which: defaulted	Of which: impaired				
005	**Cash balances at central banks and other demand deposits**	-	-	-	-	-	-	-	-
010	**Loans and advances**	**129**	**234**	**234**	**234**	**-4**	**-57**	**211**	**170**
020	- Central banks	-	-	-	-	-	-	-	-
030	- General governments	-	-	-	-	-	-	-	-
040	- Credit institutions	-	-	-	-	-	-	-	-
050	- Other financial corporations	-	11	11	11	-	-4	6	6
060	- Non-financial corporations	129	223	223	223	-4	-53	204	163
070	- Households	-	0	0	0	-	-	0	0
080	**Debt Securities**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
090	**Loan commitments given**	**22**	**13**	**13**	**13**	**-**	**-**	**4**	**4**
100	**Total**	**151**	**247**	**247**	**247**	**-4**	**-57**	**216**	**174**

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
	31-12-2023	Gross carrying amount / nominal amount											
		Performing exposures			Non-performing exposures								
						Unlikely to pay that are:							
			Not past due or past due ≤ 30 days	Past due > 30 ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 ≤ 180 days	Past due > 180 ≤ 1 year	Past due > 1 ≤ 2 years	Past due > 2 ≤ 5 years	Past due > 5 ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	1,620	1,620	-	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	**95,635**	**95,635**	**-**	**598**	**598**	**-**	**-**	**-**	**-**	**-**	**-**	**598**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,577	32,577	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	4,868	4,868	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,441	1,441	-	37	37	-	-	-	-	-	-	37
060	Non-financial corporations	53,819	53,819	-	491	491	-	-	-	-	-	-	491
070	*of which SMEs*	*13,793*	*13,793*	-	*133*	*133*	-	-	-	-	-	-	*133*
080	Households	2,930	2,930	-	70	70	-	-	-	-	-	-	70
090	**Debt Securities**	**19,667**	**19,667**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	10,511	10,511	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,314	3,314	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	4,682	4,682	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,160	1,160	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**10,465**			**92**								**92**
160	Central banks	-			-								-
170	General governments	4,478			-								-

		a	b	c	d	e	f	g	h	i	j	k	l
180	Credit institutions	6			-								-
190	Other financial corporations	720			7								7
200	Non-financial corporations	4,719			77								77
210	Households	542			8								8
220	**Total**	**127,387**	**116,922**	**-**	**690**	**598**	**-**	**-**	**-**	**-**	**-**	**-**	**690**

		a	b	c	d	e	f	g	h	i	j	k	l
	31-12-2022	**Gross carrying amount / nominal amount**											
		Performing exposures			**Non-performing exposures**								
						Unlikely to pay that are:							
			Not past due or past due ≤ 30 days	Past due > 30 ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 ≤ 180 days	Past due > 180 ≤ 1 year	Past due > 1 ≤ 2 years	Past due > 2 ≤ 5 years	Past due > 5 ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**6,824**	**6,824**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**93,691**	**93,691**	**-**	**849**	**849**	**-**	**-**	**-**	**-**	**-**	**-**	**849**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,431	32,431	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	4,073	4,073	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,143	1,143	-	41	41	-	-	-	-	-	-	41
060	Non-financial corporations	53,018	53,018	-	763	763	-	-	-	-	-	-	763
070	*of which SMEs*	*13,323*	*13,323*	-	*264*	*264*	-	-	-	-	-	-	*264*
080	Households	3,026	3,026	-	45	45	-	-	-	-	-	-	45
090	**Debt Securities**	**15,666**	**15,666**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	6,611	6,611	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
120	Credit institutions	2,210	2,210	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	5,625	5,625	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,220	1,220	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**10,882**			**282**								**282**
160	Central banks	-			-								-
170	General governments	3,853			-								-
180	Credit institutions	-			-								-
190	Other financial corporations	1,254			7								7
200	Non-financial corporations	5,184			260								260
210	Households	590			15								15
220	**Total**	**127,064**	**116,182**	**0**	**1,131**	**849**	**0**	**0**	**0**	**0**	**0**	**0**	**1,131**

EU CQ4 - Quality of non-performing exposures by geography

	31-12-2023	a	b	c	d	e	f	g
		Gross carrying amount/nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which: non-performing		Of which subject to impairment			
				Of which: defaulted				
1	**On balance sheet exposures**	**111,653**	**598**	**598**	**111,653**	**-100**		**-**
2	Netherlands	100,006	594	594	-	-97		-
3	France	2,022	-	-	-	-		-
4	United Kingdom	1,452	4	4	-	-2		-
5	Austria	1,022	-	-	-	-		-
6	Germany	945	-	-	-	-		-
7	Belgium	560	-	-	-	-		-
8	Other countries	5,646	-	-	-	-1		-
9	**Off balance sheet exposures**	**10,556**	**92**	**92**			**6**	**-**
10	Netherlands	10,086	91	91			-	
11	United Kingdom	4	1	1			-	
12	Germany	6	-	-			-	

		a	b	c	d	e	f	g
13	Other countries	460	-	-			-	
14	**Total**	**122,209**	**690**	**690**	**111,653**	**-100**	**6**	**-**

Note:
- Other countries: Luxembourg, Spain, Japan, United States, Italy, Ireland, Denmark, Portugal and exposures to the European Commission and EFSF

		a	b	c	d	e	f	g
	31-12-2022	Gross carrying amount/nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which: non-performing		Of which subject to impairment			
				Of which: defaulted				
1	**On balance sheet exposures**	**110,206**	**849**	**849**	**110,206**	**-160**		**-**
2	Netherlands	98,913	849	849	98,913	-154		-
3	United Kingdom	1,715	-	-	1,715	-2		-
4	France	2,431	-	-	2,431	-2		-
5	Belgium	1,484	-	-	1,484	-0		-
6	United States	1,825	-	-	1,825	-0		-
7	Other countries	3,839	-	-	3,839	-2		-
8	**Off balance sheet exposures**	**11,164**	**282**	**282**			**3**	**-**
9	Netherlands	10,681	282	282			3	
10	United States	474	-	-			-	
11	Unites Kingdom	4	-	-			-	
12	Germany	4	-	-			-	
13	Other countries	-	-	-			-	
14	**Total**	**121,370**	**1,131**	**1,131**	**110,206**	**-160**	**3**	**-**

Note:
- Other countries: Austria, Australia, Canada, Switserland, Denmark, Spain, Finland, Hong Kong, Ireland, Japan, Italy, Luxembourg, New Zealand, Portugal, Sweden and Singapore and exposures to the European Commission and EFSF

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

	31-12-2023	a	b	c	d	e	f
		Gross carrying amount/nominal amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				Of which: defaulted			
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	9	-	-	-	-	-
040	Electricity, gas, steam and air conditioning supply	582	-	10	-	-5	-
050	Water supply	615	-	-	-	-	-
060	Construction	2,417	-	153	-	-32	-
070	Wholesale and retail trade	63	-	-	-	-	-
080	Transport and storage	653	-	99	-	-	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	82	-	-	-	-1	-
110	Financial and insurance activities	83	-	3	-	-	-
120	Real estate activities	45,961	-	144	-	-4	-
130	Professional, scientific and technical activities	498	-	24	-	-27	-
140	Administrative and support service activities	439	-	4	-	-2	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	44	-	-	-	-	-
170	Human health services and social work activities	2,587	-	54	-	-12	-
180	Arts, entertainment and recreation	64	-	-	-	-	-
190	Other services	214	-	-	-	-	-
200	**Total**	**54,311**	**-**	**491**	**-**	**(83)**	**-**

	31-12-2022	a	b	c	d	e	f
		Gross carrying amount/nominal amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				Of which: defaulted			
010	Agriculture, forestry and fishing	0	-	-	-	-0	-
020	Mining and quarrying	-	-	-	-	-	-
030	Manufacturing	57	-	48	-	-43	-
040	Electricity, gas, steam and air conditioning supply	818	-	33	-	-23	-
050	Water supply	1,261	-	-	-	-1	-
060	Construction	2,518	-	161	-	-14	-
070	Wholesale and retail trade	63	-	-	-	-0	-
080	Transport and storage	669	-	155	-	-1	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	77	-	-	-	-0	-
110	Financial and insurance activities	323	-	3	-	-0	-
120	Real estate activities	44,008	-	154	-	-5	-
130	Professional, scientific and technical activities	528	-	144	-	-33	-
140	Administrative and support service activities	426	-	2	-	-1	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	44	-	-	-	-	-
170	Human health services and social work activities	2,660	-	63	-	-14	-
180	Arts, entertainment and recreation	68	-	-	-	-0	-
190	Other services	262	-	-	-	-0	-
200	**Total**	**53,781**	**-**	**763**	**-**	**(136)**	**-**

EU CQ7 - Collateral obtained by taking possession and execution processes

		a	b	a	b
		31-12-2023 Collateral obtained by taking possession		31-12-2022 Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	-	-	-	-
020	Other than PP&E, of which:				
030	*- Residential immovable property*	-	-	-	-
040	*- Commercial immovable property*	-	-	-	-
050	*- Movable property (auto, shipping, etc.)*	-	-	-	-
060	*- Equity and debt instruments*	-	-	-	-
070	*- Other*	-	-	-	-
080	**Total**	-	-	-	-

Use of credit risk mitigation techniques

EU CRC - Qualitative disclosure requirements related to CRM techniques

BNG Bank is exposed to foreign country risk as a result of transactions with financial counterparties to hedge market risks arising from lending and funding activities, as a result of its liquidity portfolio and in the context of former lending and investments in the public sector abroad. Foreign lending is in most cases directly or indirectly guaranteed by the relevant governments.

Sector-specific policies and internal targets are used for lending. These sector targets relate to both maximum concentrations on the balance sheet and new transactions according to BNG Bank’s annual plan. Active portfolio management is positioned within the CCO Lending and the CCO Relationship Banking departments. Both zero as non-zero-risk-weighted parties, have internal limits on their exposures. The parties individual rating is a criterion for this limit-setting. BNG Bank monitors the client's lending limits, the client's internal rating, the maximum exposure per client based on unexpected loss, maximum exposure per client and the policy requirement of a yearly credit review.

In addition, the size of the watchlist-, FR&R- and non-performing portfolios are monitored as well as the forbearance exposures and the lending arrears. These portfolios are monitored in accordance with the accompanied risk level.

Monitoring of several credit limits on financial counterparties is performed on a daily basis. These include monitoring of derivatives limits, money market limits, securities transaction limits (wrong way risk limit), settlement limits and clearing member limits. Monitoring of the risk targets is performed on a quarterly basis by Risk Management and is reported to the relevant committees and the ExCo. The concentration risk per sector is part of the Risk Management economic capital model used to assess the capital adequacy allocation.

Exposures to financial counterparties have to adhere to the Large Exposure Regulation under the CRR. BNG Bank has adopted a conservative approach regarding the maximum size of individual exposures. In which the requirements for the minimum ratings of the financial counterparties with which it is willing to transact are set, taking the nature of the business conducted with that party into account. This limits the number of available parties and as a consequence, the number of transactions with the parties that are approved is high. Daily exchange of collateral mitigates the credit risk with respect to derivatives.

In order to reduce credit risk, netting agreements are in place with financial counterparties with which BNG Bank enters into derivative transactions. In addition, collateral agreements are established, or (indirect) clearing through a qualified central clearing house is applied. These measures ensure that market value developments are mitigated on a daily basis by collateral. The agreements are updated where necessary in response to changing market circumstances, market practices and regulatory changes.

BNG Bank clears parts of its derivatives centrally via EUREX and London Clearing House through five clearing members. Central clearing has inevitably resulted in a shift in concentration risk from individual financial counterparties to the clearing members and the clearing houses. In order to reduce the concentration risk on clearing members, there are limits on the maximum amount of initial margin exchanged.

Exposure to settlement risk is limited to transactions with financial counterparties. Settlement risk is potentially high for those parties, because of the relatively large size of the benchmark used by BNG Bank issues in foreign currencies. Netting and collateral agreements concluded with those parties serve to limit settlement risk resulting from the mutual offsetting of payments. Moreover, BNG Bank has a limit for settlement risk. Settlements with certain counterparties are distributed over time to prevent unnecessary concentrations at one point in time. Control measures throughout the operational process serve to mitigate the settlement risk further. The Bank Recovery and Resolution Directive (BRRD) offers protection for settlement and payment systems in the European Union (EU) in case of the resolution of a bank, effectively reducing the settlement risk in parts of the financial system.

EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	31-12-2023	a Unsecured carrying amount	b Secured carrying amount	c of which secured by collateral	d of which secured by financial guarantees	e of which secured by credit derivatives
1	Loans and advances	42,255	55,500	73	55,427	-
2	Debt Securities	16,992	2,674	-	2,674	
3	**Total**	**59,247**	**58,174**	**73**	**58,101**	**-**
4	Of which non-performing exposures	83	435	-	435	-
EU-5	- of which defaulted	83	435			

	31-12-2022	a Unsecured carrying amount	b Secured carrying amount	c of which secured by collateral	d of which secured by financial guarantees	e of which secured by credit derivatives
1	Loans and advances	47,645	53,719	75	53,644	-
2	Debt Securities	13,560	2,106	-	2,106	
3	**Total**	**61,205**	**55,825**	**75**	**55,750**	**-**
4	Of which non-performing exposures	253	596	-	596	-
EU-5	- of which defaulted	123	595			

Standardised approach

EU CRD - Qualitative disclosure requirements related to standardised approach

BNG Bank applies internally developed rating models to assess the creditworthiness of clients, being public sector parties without external ratings. These expert models are market segment specific and subject to periodic review and validation in accordance with the internal model governance policy. These models are not applied for capital calculations under Pillar 1, where the BNG Bank uses the Standardised approach. Internal rating models are in use for the following market segments:

- Housing
- Healthcare
- Education
- NEMM (Network, Energy, Environment and Mobility)
- Projects

Besides the use of internal ratings, BNG Bank also uses the external ratings awarded by rating agencies. As mentioned under EU CRA, BNG Bank uses the rating agencies is S&P, Moody's, Fitch and DBRS which are approved under the ECAF. These ratings relate either to a counterparty or to a specific security. As BNG Bank is not allowed to use internal rating models for minimal capital requirement calculations, BNG Bank uses external ratings, where available, to determine regulatory risk weights for RWA calculations.

Furthermore, BNG Bank has a scorecard model for local governments. Given the close relation to the Dutch government, BNG Bank does not rate local governments, but only assesses their (relative) creditworthiness on an individual basis. In cases where Probability of Default determination is needed, the rating of local governments is set equal to that of the Dutch government (ultimo 2023: AAA).

EU CR4 - Credit risk exposure and CRM effects

Guarantees provided by governments, WSW and WfZ are an important part in the determination of the credit risk profile of BNG Bank. Below templates show the impact of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR, including the financial collateral simple method and the financial collateral comprehensive method in the application of Articles 222 and 223 of the same regulation on capital requirements' calculations using the standardised approach. In addition, the RWEA density provides a synthetic metric on the riskiness of each portfolio.

		a	b	c	d	e	f
	31-12-2023	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance	Off-balance	On-balance	Off-balance	RWA	RWA density
1	Central governments or central banks	5,474	15	56,912	1,570	-	0%
2	Regional governments or local authorities	30,479	2,974	33,400	1,081	23	0%
3	Public sector entities	4,377	1,486	4,501	185	598	13%
4	Multilateral Development Banks	200	-	200	-	-	0%
5	International Organisations	4,113	-	4,113	-	-	0%
6	Institutions	1,091	6	135	-	27	20%
7	Corporates	59,269	5,852	6,065	180	5,324	85%
8	Retail	-	-	-	-	-	0%
9	Secured by mortgages on immovable property	-	-	-	-	-	0%
10	Exposures in default	519	86	123	3	158	125%
11	Exposures associated with particularly high risk	-	-	-	-	-	0%
12	Covered bonds	2,646	-	2,646	-	265	10%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%

		a	b	c	d	e	f
14	Collective investments undertakings (CIU)	-	-	-	-	-	0%
15	Equity	24	-	24	-	24	100%
16	Other items	104	-	104	-	104	100%
17	**Total**	**108,296**	**10,419**	**108,223**	**3,019**	**6,523**	**6%**

		a	b	c	d	e	f
	31-12-2022	**Exposures before CCF and CRM**		**Exposures post CCF and CRM**		**RWAs and RWA density**	
		On-balance	Off-balance	On-balance	Off-balance	RWA	RWA density
1	Central governments or central banks	9,849	0	59,520	1,366	-	0%
2	Regional governments or local authorities	31,382	3,342	34,551	1,501	45	0%
3	Public sector entities	2,941	495	2,989	187	383	12%
4	Multilateral Development Banks	117	-	117	-	-	0%
5	International Organisations	1,405	-	1,405	-	-	0%
6	Institutions	750	-	83	-	17	20%
7	Corporates	58,511	6,894	6,763	250	6,143	88%
8	Retail	-	-	-	-	-	0%
9	Secured by mortgages on immovable property	-	-	-	-	-	0%
10	Exposures in default	720	280	172	38	301	144%
11	Exposures associated with particularly high risk	-	-	-	-	-	0%
12	Covered bonds	1,688	-	1,688	-	169	10%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
14	Collective investments undertakings (CIU)	-	-	-	-	-	0%
15	Equity	24	-	24	-	24	100%
16	Other items	122	-	122	-	122	100%
17	**Total**	**107,509**	**11,010**	**107,434**	**3,341**	**7,203**	**7%**

EU CR5 - Standardised approach

	31-12-2023	a Risk weight: 0%	b 2%	c 4%	d 10%	e 20%	f 35%	g 50%	h 70%	i 75%	j 100%	k 150%	l 250%	m 370%	n 1250%	o Others	p Total	q Of which: unrated
1	Central governments or central banks	58,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,485	51,558
2	Regional government or local authorities	34,365	-	-	-	115	-	-	-	-	-	-	-	-	-	-	34,480	34,232
3	Public sector entities	1,697	-	-	-	2,989	-	-	-	-	-	-	-	-	-	-	4,686	2,524
4	Multilateral development banks	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-
5	International organisations	4,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,113	-
6	Institutions	-	-	-	-	135	-	-	-	-	-	-	-	-	-	-	135	29
7	Corporates	-	-	-	-	675	-	759	-	-	4,810	-	-	-	-	-	6,244	4,621
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	60	65	-	-	-	-	125	125
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	2,646	-	-	-	-	-	-	-	-	-	-	-	2,646	-
13	Exposures to institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	and corporates with a short-term credit assessment																	
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	24	-	-	-	-	-	24	24
16	Other items	-	-	-	-	-	-	-	-	-	104	-	-	-	-	-	104	2
17	**Total credit risk exposure**	**98,860**	**-**	**-**	**2,646**	**3,914**	**-**	**759**	**-**	**-**	**4,998**	**65**	**-**	**-**	**-**	**-**	**111,242**	**93,115**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	31-12-2022	**Risk weight:**															**Total**	**Of which: unrated**
		0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
1	Central governments or central banks	60,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,886	60,886
2	Regional government or local authorities	35,947	-	-	-	75	-	-	-	-	30	-	-	-	-	-	36,052	35,947
3	Public sector entities	1,264	-	-	-	1,913	-	-	-	-	-	-	-	-	-	-	3,177	3,177
4	Multilateral development banks	117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	117	117
5	International organisations	1,405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,405	1,405
6	Institutions	-	-0	-	-	83	-	0	-	-	-	-	-	-	-	-	83	-
7	Corporates	-	-0	-	-	614	-	758	-	-	5,642	-	-	-	-	-	7,013	5,275

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	26	183	-	-	-	-	209	209
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	1,688	-	-	-	-	-	-	-	-	-	-	-	1,688	-0
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	24	-	-	-	-	-	24	24
16	Other items	0	-	-	-	-	-	-	-	-	122	-	-	-	-	-	122	0
17	**Total credit risk exposure**	**99,619**	**(0)**	**-**	**1,688**	**2,685**	**-**	**758**	**-**	**-**	**5,844**	**183**	**-**	**-**	**-**	**-**	**110,776**	**107,040**

Counterparty credit risk

EU CCRA - Qualitative disclosure requirements related to counterparty credit risk (CCR)

Counterparty credit risk is the risk of losses to earnings and capital arising from a party failing to make payments that result from a financial transaction, at the moment those payments are due. The exposure to counterparty credit risk pertains to exposures arising from derivatives, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions. This section provides different perspectives on this counterparty credit risk as it pertains to BNG Bank.

EU CCR1 - Analysis of CCR exposure by approach

The counterparty credit risk of derivative transactions is relatively small, despite the fact that notional amounts totaled EUR 276 billion at year-end 2023 (2022: EUR 248 billion). With the exception of currency derivatives, these contractual principal amounts merely serve as accounting quantities and do not reflect the size of cash flows or the risk associated with the derivatives. The credit equivalent of the derivatives portfolio serves as a more accurate indicator in this regard. The credit risk is expressed in terms of credit equivalents, in accordance with Central Bank guidelines. The credit equivalent consists of the market value plus an add-on for future credit risk. Contracts with a positive value – where contractual default by the counterparty would cause BNG Bank to miss out on revenue – are relevant in this regard. BNG Bank determines this value using the Standardised Approach to Counterparty Credit Risk (SA-CCR). The current replacement cost is calculated by including collateral received or posted. In addition, the principal amounts are multiplied by percentages based on the specific product and its maturity period in order to determine the Potential future credit risk exposure (PFE). The sum of these two values (credit equivalent) multiplied by the alpha of 1.4 indicates the net exposure to credit risk.

		a	b	c	d	e	f	g	h
	31-12-2023	Replacement cost (RC)	Potential future credit exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	310	774		1.4	1,517	1,517	1,517	665
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long			-		-	-	-	-

		a	b	c	d	e	f	g	h
	settlement transactions netting sets								
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					5,218	304	304	61
5	VaR for SFTs					-	-	-	-
6	**Total**					**6,735**	**1,821**	**1,821**	**726**

		a	b	c	d	e	f	g	h
	31-12-2022	**Replacement cost (RC)**	**Potential future credit exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWEA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	989	1,219		1.4	3,090	3,090	3,090	1,095
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					2,683	87	87	17
5	VaR for SFTs					-	-	-	-

		a	b	c	d	e	f	g	h
6	**Total**					**5,773**	**3,177**	**3,177**	**1,112**

EU CCR2 - Transactions subject to own funds requirements for CVA risk

		a	b
	31-12-2023	Exposure value	RWEA
1	Total transactions subject to the Advanced method	n/a	n/a
2	(i) VaR component (including the 3× multiplier)		n/a
3	(ii) stressed VaR component (including the 3× multiplier)		n/a
4	Transactions subject to the Standardised method	1,052	740
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	n/a	n/a
5	**Total transactions subject to own funds requirements for CVA risk**	**1,052**	**740**

		a	b
	31-12-2022	**Exposure value**	**RWEA**
1	Total transactions subject to the Advanced method	n/a	n/a
2	(i) VaR component (including the 3× multiplier)		n/a
3	(ii) stressed VaR component (including the 3× multiplier)		n/a
4	Transactions subject to the Standardised method	1,410	1,410
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	n/a	n/a
5	**Total transactions subject to own funds requirements for CVA risk**	**1,410**	**1,410**

EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

		a	b	c	d	e	f	g	h	i	j	k	l
	31-12-2023	Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	**-**
2	Regional government or local authorities	145	-	-	-	-	-	-	-	-	-	-	**145**
3	Public sector entities	-	-	-	-	1	-	-	-	-	-	-	**1**
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	**-**
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	**-**
6	Institutions	-	257	-	-	990	156	-	-	-	-	-	**1,403**
7	Corporates	-	644	-	-	-	159	-	-	370	-	-	**1,173**
8	Retail	-	-	-	-	-	-	-	-	-	-	-	**-**
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	**-**
10	Other items	-	-	-	-	-	-	-	-	-	-	-	**-**
11	**Total exposure value**	**145**	**901**	**-**	**-**	**991**	**315**	**-**	**-**	**370**	**-**	**-**	**2,722**

	31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l
		Risk weight											
		0%	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total exposure value**
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	143	-	-	-	-	-	-	-	-	-	-	143
3	Public sector entities	-	-	-	-	4	-	-	-	-	-	-	4
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	242	-	-	1,240	516	-	-	-	-	-	1,999
7	Corporates	-	338	-	-	1	199	-	-	494	-	-	1,032
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**143**	**581**	**-**	**-**	**1,244**	**715**	**-**	**-**	**494**	**-**	**-**	**3,177**

EU CCR5 - Composition of collateral for CCR exposures

		a	b	c	d	e	f	g	h
	31-12-2023	Collateral used in derivative transactions				Collateral used in securities finance transactions			
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received		Fair value of collateral posted	
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	568	-	4,685	-	88	-	66
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	20	-
4	Other sovereign debt	4	-	1,066	-	-	-	17	2,426
5	Government agency debt	-	-	332	-	-	-	-	135
6	Corporate bonds	-	-	1,380	-	-	1,100	-	818
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	30	-	-	2,765	-	345
9	**Total**	**4**	**568**	**2,808**	**4,685**	**-**	**3,953**	**37**	**3,790**

		a	b	c	d	e	f	g	h
	31-12-2022	Collateral used in derivative transactions				Collateral used in securities finance transactions			
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received		Fair value of collateral posted	
	Collateral type	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	1,173	0	4,055	-	-	-	89
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	34	-
4	Other sovereign debt	-	-	642	-	-	-	19	913
5	Government agency debt	11	-	659	-	-	-	-	93
6	Corporate bonds	-	-	-	-	-	-	-	488
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	844	-	-	2,012	-	332
9	**Total**	**11**	**1,173**	**2,144**	**4,055**	**-**	**2,012**	**53**	**1,915**

At year-end 2023, the collateral posted for derivative transactions amounted to EUR 5.3 billion (2022: EUR 4.5 billion). The deterioration of BNG Bank's rating by three notches would not increase this amount. The strength of the bank's liquidity position is sufficient to meet, and to absorb fluctuations in collateral obligations.

EU CCR8 - Exposures to CCPs

	31-12-2023	a Exposure value	b RWEA
1	**Exposures to QCCPs (total)**	**901**	**18**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	901	18
3	*(i) OTC derivatives*	*898*	*18*
4	*(ii) Exchange-traded derivatives*	-	-
5	*(iii) SFTs*	3	-
6	*(iv) Netting sets where cross-product netting has been approved*	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

	31-12-2022	a Exposure value	b RWEA
1	**Exposures to QCCPs (total)**	**581**	**12**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	581	12
3	*(i) OTC derivatives*	*578*	*12*
4	*(ii) Exchange-traded derivatives*	-	-
5	*(iii) SFTs*	*3*	*0*
6	*(iv) Netting sets where cross-product netting has been approved*	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-

		a	b
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

SECURITISATION

EU SECA - Qualitative disclosure requirements related to securitisation exposures

The following sections include qualitative and quantitative disclosures on securitized exposure as well as on securitization positions held by BNG Bank. BNG Bank is primarily engaged in securitization transactions as an investor and to a lesser extent as Issuer Account Bank and as Cash Advance Facility Provider in that the bank provides liquidity facilities to finance securitizations. BNG Bank does not act as an originator or sponsor of securitizations. These investments in securitizations are part of the banking book and the bank does not invest in synthetic securitizations or re-securitizations. Through our role in the securitization process, BNG Bank is exposed to credit risk and liquidity risk. The securitizations may only be drawn on under strict conditions (e.g. in the event of technical payment problems), and in that case BNG Bank's claim will have preference over all other claims.

BNG Bank applies the Securitizations External Rating Based Approach (SEC-ERBA) in calculating risk-weighted exposure values of securitizations in relation to credit risk. Most of the securitization positions have a 10% weighting. In 2023 no securitizations have a 1250% weighting because of the rating. If these items occur BNG Bank takes advantage of the option to offset these items against the CET1 capital. At year-end 2023 the balance sheet value amounted to EUR 4.6 billion (2022: EUR 5.3 billion) in securitization positions. The off-balance sheet securitization commitments at year-end 2023 amounted to EUR 0.1 billion (2022: EUR 0.1 billion) and concerned liquidity facilities. BNG Bank considers the credit risk of these facilities to be virtually zero.

All securitizations in BNG Bank's portfolio have at least one external rating from S&P, Moody's, Fitch or DBRS. Any interest rate risks are hedged with derivatives, in conformity with policy. The individual credit risk of these products are monitored by the Credit Committee Treasury. The portfolio analysis and monitoring of interest rate risks are done by the Asset & Liability Committee (ALCO). All securitizations are subjected to an impairment test twice a year. As investments are limited to the most senior tranches the liquidity risk for BNG Bank is considered limited as these senior tranches are impacted last if liquidity issues would arise for the underlying securitization.

EU SEC1 - Securitisation exposures in the non-trading book

	31-12-2023	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	of which SRT	non-STS	of which SRT		of which SRT		STS	non-STS			STS	non-STS		
1	**Total exposures**	**-**		**-**		**-**		**-**	**-**	**-**	**-**	**-**	**3,943**	**641**	**-**	**4,584**
2	Retail (total)	-		-		-		-	-	-	-	-	3,943	625	-	4,568
3	- residential mortgage	-		-		-		-	-	-	-	-	3,943	625	-	4,568
4	- credit card	-		-		-		-	-	-	-	-	-	-	-	-
5	- other retail exposures	-		-		-		-	-	-	-	-	-	-	-	-
6	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-		-		-		-	-	-	-	-	-	16	-	16
8	- loans to corporates	-		-		-		-	-	-	-	-	-	-	-	-
9	- commercial mortgage	-		-		-		-	-	-	-	-	-	-	-	-
10	- lease and receivables	-		-		-		-	-	-	-	-	-	16	-	16
11	- other wholesale	-		-		-		-	-	-	-	-	-	-	-	-
12	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-

	31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	of which SRT	non-STS	of which SRT		of which SRT		STS	non-STS			STS	non-STS		
1	**Total exposures**	**-**		**-**		**-**		**-**	**-**	**-**	**-**	**-**	**4,092**	**1,347**	**-**	**5,439**
2	Retail (total)	-		-		-		-	-	-	-	-	4,092	1,329	-	5,420
3	- residential mortgage	-		-		-		-	-	-	-	-	4,092	1,329	-	5,420
4	- credit card	-		-		-		-	-	-	-	-	-	-	-	-
5	- other retail exposures	-		-		-		-	-	-	-	-	-	-	-	-
6	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-		-		-		-	-	-	-	-	-	19	-	19
8	- loans to corporates	-		-		-		-	-	-	-	-	-	-	-	-
9	- commercial mortgage	-		-		-		-	-	-	-	-	-	-	-	-
10	- lease and receivables	-		-		-		-	-	-	-	-	-	19	-	19
11	- other wholesale	-		-		-		-	-	-	-	-	-	-	-	-
12	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-

EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
	31-12-2023	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**4,090**	**355**	**133**	**6**	**-**	**-**	**4,584**	**-**	**-**	**-**	**591**	**-**	**-**	**-**	**46**	**-**	**-**
2	Traditional securitisation	4,090	355	133	6	-	-	4,584	-	-	-	591	-	-	-	46	-	-
3	Securitisation	4,090	355	133	6	-	-	4,584	-	-	-	591	-	-	-	46	-	-
4	Retail underlying	4,074	355	133	6	-	-	4,568	-	-	-	589	-	-	-	46	-	-
5	Of which STS	3,943	-	-	-		-	3,943	-	-	-	394	-	-	-	31	-	-
6	Wholesale	16	-	-	-		-	16	-	-	-	2	-	-	-	-	-	-
7	Of which STS	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation																	
9	Synthetic securitisation																	
10	Securitisation																	
11	Retail underlying																	
12	Wholesale																	
13	Re-securitisation																	

	31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**5,023**	**375**	**25**	**15**	**-**	**-**	**5,439**	**-**	**-**	**-**	**785**	**-**	**-**	**-**	**61**	**-**	**-**
2	Traditional securitisation	5,023	375	25	15	-	-	5,439	-	-	-	785	-	-	-	61	-	-
3	Securitisation	5,023	375	25	15	-	-	5,439	-	-	-	785	-	-	-	61	-	-
4	Retail underlying	5,005	375	25	15		-	5,420	-	-	-	766	-	-	-	61	-	-
5	Of which STS	4,092	-	-	-		-	4,092	-	-	-	409	-	-	-	32	-	-
6	Wholesale	19	-	-	-		-	19	-	-	-	3	-	-	-	-	-	-
7	Of which STS	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation																	
9	Synthetic securitisation																	
10	Securitisation																	
11	Retail underlying																	
12	Wholesale																	
13	Re-securitisation																	

MARKET RISK

EU MRA - Qualitative disclosure requirements related to market risk

The Treasury and Capital Markets department is the ‘first line of defense’ and is responsible for day-to-day market risk management, primarily for managing market risks resulting from commercial activities.

Risk Management is the ‘second line of defense’ and is tasked to monitor the market risk independently. It performs daily reviews to ensure the risk positions are within the limits cascaded from the Risk Appetite and set by the ExCo and SB. Measurements in scope are related to IRRBB, CSRBB and other market risks. Risk Management independently prepares monthly reports for the ALCO and Treasury, challenges the first line and provides risks analysis and advice, both proactively and upon request. Moreover, the department also periodically updates the assumptions used, maintains the set of policies, frameworks, tooling, procedures and reporting, and incorporates new regulations in their revision. By participating in the product approval process, it also plays an important role in identifying and assessing (new) market risks caused by new or changed activities.

The ALCO discusses limit adjustments and decides on market risk policies and is responsible for decision taking within the boundaries set in the policy. The ALCO consists of the CFO (Chair), the CRO, the managing director Treasury and Capital Markets, the head of Treasury Portfolio Management, the head of Risk Management and the head of Risk Management ALM. Depending on the agenda, the ALCO is supplemented with other participants.

The risk measures are monitored and reported on a daily basis to the ALCO members as well as the Treasury and Capital Markets directorate, except for the Earnings at Risk measure that is calculated on a monthly basis.

The daily measures are summarised in a monthly dashboard, which is discussed in the regular ALCO meetings. In addition, these measures and limit monitoring are summarised in the quarterly integrated risk report, which is presented to and discussed in the ExCo, the Risk Committee of the SB and the SB itself.

Interest rate risk
The bank’s most significant interest rate risk is the ‘outright risk’ to the interest rate swap curve, which is determined excluding the impact of spreads. This means that changes in spreads such as credit spreads, CVA/DVA and cross-currency basis spreads do not influence the interest rate risk position and hedging. There is no material

presence of early redemption options in BNG Bank's regular loan portfolio.[3] Likewise, there is no direct exposure in mortgages and the bank does not attract savings from private individuals. Consequently, client behavior is not modelled in the bank's interest rate risk models as its loan book is almost entirely held to maturity.

The bank applies stress testing, in which the impact of the interest rate position is assessed based on multiple types of interest rate shocks (parallel and non-parallel) and from various perspectives (i.e. economic value, Earnings at Risk, IBOR transition risk and the normative capital perspective).

BNG Bank has risk measures and limits in place for several areas within market risk:
- The Treasury department has a mandate to hold an unhedged interest rate risk position within pre-defined limits. Economic value limits for the Treasury book are set for the interest rate stress testing outcomes. Stress testing is calculated for several internal parallel and non-parallel interest rate shocks, and is compared on a daily basis to the capital allocated for interest rate risk. In addition, early warning levels are set for the internal Earnings at Risk scenarios such that a balance is sought between the economic value and the earnings perspective.
- The bank also makes sure that the outlier criterions for NII and EVE are not exceeded. The outlier criterions are prescribed by regulations, where the maximum relationship between market risk and equity is expressed. An outlier criterion is a sensitivity analysis in which the interest rate risk is measured under externally prescribed shocks, among which the instantaneous plus or minus 200 basis points parallel scenario.
- In case of cross-currency swaps, the cross-currency basis spread risk is monitored on a daily basis. This risk is not limited, since the contracts are deemed to be held until maturity. Although, in case of fluctuations, regulatory capital may be affected through "cost of hedging". However, the effect is not expected to materialize on a going concern basis.
- Economic capital is allocated for interest rate risk, spread risk, IBOR transition risk and CVA risk. The monitoring is conducted periodically (monthly/quarterly).

All these interest rate risk measures complement each other, and they ensure the manageability of risks.

The table below outlines the EaR as per end of 2023 in a scenario with an instantaneous parallel shock of plus 116 basis points for the 1-year and 2-year horizon. As of 2023, internal steering only takes place on the basis of a 1-year horizon. For comparative reasons, the EaR of 2022 is shown in the below table. Usually, the most negative or least positive impact can be seen in the scenario with an instantaneous parallel shock of minus 126 basis points. The main reason for this switch is the end-of-year balance sheet management in combination with Euribor fixations in the banking book. The difference of the 1-year EaR figure, compared to last year, is mainly due to improved modelling of ESTR exposure.

[3] On 12 December 2022, the portfolio of Hypotheekfonds voor Overheidspersoneel B.V (HVO) was sold to Nationale Nederlanden Bank N.V. HVO was liquidated in 2023.

Earnings at risk (in millions of euros)	2023	2022
Horizon		
1 year	-45	-22
2 years	-	-45

Foreign exchange risk

The bank obtains a large portion of its funding in foreign currencies and is therefore exposed to foreign exchange fluctuations. However, according to BNG Bank's policy, foreign exchange risks are hedged in terms of notional amounts. Incidentally, foreign exchange positions may occur in certain cases where it is not cost-efficient to hedge the risk. The foreign exchange risk of these minor positions is monitored on a daily basis and subject to limits.

Volatility risk

In order to be able to manage its interest rate risk exposure in a flexible and cost efficient way, the bank allows itself a limited range for assuming volatility risk to support the interest rate position in the Treasury book. This range is limited and is monitored by the Risk Management department. During 2023, no additional volatility risk was assumed to support the active interest rate position. With regard to its other activities, BNG Bank's policy specifies that the volatility risks for new financial instruments should be hedged one-to-one. The resulting volatility risk is relatively small and is subject to monitoring by Risk Management.

Spread risk

The economic value of BNG Bank's equity is determined over its total portfolio of assets and liabilities. Both assets and liabilities are valued on the basis of an interest rate curve made up of market-based swap rates plus credit risk spreads. In case of interest rate swaps, the CVA risk (counterparty risk) and DVA risk (the bank's own default risk) are included. Spread risk is not hedged by the bank. The impact of changes in these spreads is measured and monitored on a daily basis. For the fair value instruments affecting profit and loss or regulatory capital, a warning level on the credit spread stress testing outcomes has been set.

The bank has inflation-linked instruments in its portfolio. The bank's policy specifies that exposure to fluctuations in inflation risk should be hedged in full and it executes this policy. The inflation delta is monitored on a daily basis.

EU MR1 - Market risk under the standardised approach

For the disclosure of market risk pursuant with policies and strategies, more information can be found in the 2023 Annual Report in the chapter Internal Business Organization, specifically the section relating to Risk management. Below table MR1 shows the components of own funds requirements under the standardised approach for market risk. Only temporary small foreign exchange positions for which it is not efficient to hedge the risks may result in a limited capital charge in the interim. At 31 December 2023 and 2022 this position resulted in no capital requirement because our exposure on foreign exchange risk is below the threshold of 2% of eligible capital.

	31-12-2023 RWEAs	31-12-2022 RWEAs
Outright products		
Interest rate risk (general and specific)	-	-
Equity risk (general and specific)	-	-
Foreign exchange risk	-	-
Commodity risk	-	-
Options		
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
Securitisation (specific risk)	-	-
Total	-	-

EU IRRBBA - Qualitative information on interest rate risk of non-trading book activities

All interest rate (IRR) positions of BNG Bank in the banking book are either directly hedged externally (micro hedging) or internally transferred to the 'Treasury Book' portfolio by using internal swap transactions. The net interest rate position in the ‘Treasury book’ is managed by the Treasury department and hedged within limits using macro hedging. Both micro and macro hedging is conducted on accrual basis. All non-EUR cash flows are cash flow hedged.

Treasury is authorized to operate within a limited bandwidth, which allows among others efficient hedging and flexibility for clients. The bank monitors the interest rate risk on a daily basis. It includes the EVE and the Net Interest Income (NII) impact of the Supervisory Outlier Test (‘SOT’), internal shocks and corresponding limits. In addition, the actual positions and sensitivities are measured against limits, targets and early warnings.

The bank has adopted two methodologies to manage its IRRBB risks from EVE perspective: the Outlier Criterion and the Internal IRRBB methodology. The Outlier Criterion excludes own equity whereas the Internal IRRBB methodology includes own equity. In the Internal IRRBB methodology, the Treasury book represents the total IRRBB position of BNG Bank. The (modelled) investment of own equity is equal to the required shareholders' return of the Dutch State 10 years moving average aligned with the calculation for the targeted shareholder return using the 10 year moving average of the 10 year Dutch State bond yield.

Regarding EVE shocks, BNG Bank includes the 6 BCBS scenarios, several internal scenarios and a reverse scenario. The EVE impact is determined by applying full revaluation at the level of individual transactions. The computation for the economic value of the Banking Book is based on the Treasury Book, which includes interest rate swap transactions and internal swaps representing the interest rate risk position of assets and liabilities in the banking book (e.g. margin book).

The bank uses OIS discounting for calculating the present values as well as for the full revaluation of the products under the given shocks.

It should be noted that embedded options are hedged directly conform the policy of the bank. Non maturity deposits (NMDs), which include current accounts, collateral deposits and ECB accounts have short-term repricing dates (shorter than one year, but predominantly shorter than one month). Therefore these accounts have a low EVE sensitivity. There is no spread component present since repricing is linked to 1-month EURIBOR or Ester. NMD repricing dates are assumed to fall within the buckets with the shortest maturity. Since NMDs are assumed to have a negligible EVE impact they are excluded in the IRRBB cash flows in IRRBB1 (EVE part). Where applicable, implied zero percent floors are also taken into account. This is often the case for RMBS and DBFMO exposures.

From NII perspective, the methodology involves calculations based on all books and portfolios, assuming a static balance sheet.

The NII impact of the supervisory standard and internal shocks is calculated and reported on a monthly basis. The NII computations assume a static balance sheet and are based on all books and portfolios. Parallel interest-rate shifts are applied in accordance with regulatory requirements and include an instantaneous shift (-/+ 200 bps). Furthermore, BNG bank also uses several (internal) shocks, both gradual and instantaneous, to estimate the NII.

The outcome of Earnings at risk is well within our risk appetite per end of 2023. This also holds for EVE and moreover the outlier criterion calculation for EVE and NII are respected.

As a consequence of the decreased interest rates during 2023, the total interest rate sensitivity in the banking book increased compared to end of 2022. In general this leads to higher “Changes of the economic value of equity”. Furthermore, the calculation of “Changes of the net interest income” were improved with regards to ESTR hedging.

EU IRRBB1 - Interest rate risks of non-trading book activities

The below template shows the changes in the economic value of equity (EVE) resulting from various yield curve shocks, as calculated under the six supervisory shock scenarios. Also shown are the changes in net interest income (NII), i.e. the difference in NII between a base scenario and an alternative scenario, as calculated under the two supervisory shock scenarios. The scenarios are as described in the EBA guidelines.

		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		31-12-2023	31-12-2022	31-12-2023	31-12-2022
1	Parallel up	-328	-269	-76	-45
2	Parallel down	406	335	77	44
3	Steepener	-82	-84		
4	Flattener	31	42		
5	Short rates up	-75	-46		
6	Short rates down	78	48		

OPERATIONAL RISK

EU ORA - Qualitative information on operational risk

The first line is primarily responsible for the management of the operational risks in the products, processes, people and systems for which they are responsible. As a result, the first line is also responsible for implementing a management system, on the basis of which it can report on the (management of) operational risks. The first line thus includes all process owners, the most important of which are the following departments:

- Lending and Relationship Banking;
- Client Services and Payments;
- Treasury and Capital Markets;
- Back Office;
- Information Management;
- Finance & Control;
- Human Resources.

The Risk Management department monitors all operational risks. It reports on a quarterly basis on the extent to which BNG Bank is exposed to operational risks, based on the bank's risk appetite. The reports are discussed in the Non-Financial Risk Committee (NFRC). The NFRC also discusses policies and developments relating to the system of internal control and management of non-financial risks, from the perspective of both the first and the second line of defense. This includes the outcomes of riskcontrol self-assessments on processes, the results of the testing of the effectiveness of key internal controls and incident management. A summary of the report is included in the quarterly integrated risk report to the ExCo and SB.

The first line bears final responsibility for managing operational risks in day-to-day business operations. This is in line with policies, guidelines and internal process design. Internal processes are designed by process owners in collaboration with the managers of the departments concerned. All recurring processes are documented in process flows with triggers, actors, activities, systems used, documents and results.

Although operational risks cannot (and do not have to) be fully mitigated, they must obviously be made transparent and manageable.

The second line of defense supports the first line in the area of managing operational risks. This includes monitoring the first line's risk activities. The second line is also involved in material projects, process changes and documentation, as well as in product assessment and approval processes.

Information relating to disclosures of operational risk management objectives and policies should be read in conjunction with the 'Internal business operations' section, specifically the risk management paragraph, of the Annual report.

Assessment of minimum own funds requirements

BNG Bank applies The Standardised Approach (TSA) to calculate minimum capital requirements for operational risk.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

	31-12-2023	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
	Banking activities	Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	446	579	541	78	981
3	- Subject to TSA	446	579	541		
4	- Subject to ASA	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

	31-12-2022	a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
	Banking activities	Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	430	446	579	73	912
3	- Subject to TSA	430	446	579		
4	- Subject to ASA	-	-	-		

		a	b	c	d	e
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

REMUNERATION

EU REMA - Remuneration policy

The remuneration policy is compatible with the legal and policy frameworks for institutions established in the Netherlands. In 2023, the following laws and regulations were instrumental in determining the remuneration policy:
- the Dutch Corporate Governance Code;
- European and national financial supervision rules, including the Capital Requirements Regulation, the Financial Supervision Act, the Regulation on Sound Remuneration Policies, the Remuneration Policy (Financial Enterprises) Act, and the Work and Security Act;
- the Banking Code.

In addition to satisfying legal and regulatory requirements, the remuneration policy also complies with the central government's guidelines for state-owned enterprises. Disclosure on the remuneration policies, responsible committees, governance processes, applied criteria and amounts involved are provided in the annual report as well as on the website (e.g. remuneration report).

EU REM1 - Remuneration awarded for the financial year

		a	b	c	d	a	b	c	d
		2023				2022			
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Fixed remuneration								
1	Number of identified staff	7	5	27	12	8	5	28	17
2	Total fixed remuneration	290	1,451	3,817	1,614	283	1,454	3,339	2,000
3	- Of which: cash-based	290	1,451	3,817	1,614	283	1,454	3,339	2,000
EU-4a	- Of which: shares or equivalent ownership interests	-	-	-	-	-	-	-	-

		a	b	c	d	a	b	c	d
5	- Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
EU-5x	- Of which: other instruments	-	-	-	-	-	-	-	-
7	- Of which: other forms	-	-	-	-	-	-	-	-
	Variable remuneration	-	-	-	-	-	-	-	-
9	Number of identified staff	-	-	-	-	-	-	-	-
10	Total variable remuneration	-	68	-	-	-	-	-	-
11	- Of which: cash-based	-	68	-	-	-	-	-	-
12	- Of which: deferred	-	-	-	-	-	-	-	-
EU-13a	- Of which: shares or equivalent ownership interests	-	-	-	-	-	-	-	-
EU-14a	- Of which: deferred	-	-	-	-	-	-	-	-
EU-13b	- Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
EU-14b	- Of which: deferred	-	-	-	-	-	-	-	-
EU-14x	- Of which: other instruments	-	-	-	-	-	-	-	-
EU-14y	- Of which: deferred	-	-	-	-	-	-	-	-
15	- Of which: other forms	-	-	-	-	-	-	-	-
16	- Of which: deferred	-	-	-	-	-	-	-	-
17	Total remuneration (2 + 10)	290	1,519	3,817	1,614	283	1,454	3,339	2,000

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	a	b	c	d
		2023				2022			
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards								
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-	-	-	-	-
3	- Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year								
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-	-	-	-	-

		a	b	c	d	a	b	c	d
	Severance payments awarded during the financial year								
6	Severance payments awarded during the financial year - Number of identified staff	-	*1*	-	-	-	-	3	-
7	Severance payments awarded during the financial year - Total amount	-	*68*	-	-	-	-	625	-
8	- Of which paid during the financial year	-	*68*	-	-	-	-	625	-
9	- Of which deferred	-	-	-	-	-	-	-	-
10	- Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-	-	-	-	-
11	- Of which highest payment that has been awarded to a single person	-	*68*	-	-	-	-	220	-

Notes:

- In 2023 the variable remuneration solely consisted of a death grant for a member of the Executive Committee.

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	2023	a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
	(in thousands)	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										51
2	Of which: members of the MB	7	5	12							
3	Of which: other senior management				2	4		10	6	4	
4	Of which: other identified staff				2	5			6		
5	Total remuneration of identified staff	290	1,519	1,809	704	1,102		1,501	1,472	652	
6	Of which: variable remuneration	-	68	68	-	-		-	-	-	
7	Of which: fixed remuneration	290	1,451	1,741	704	1,102		1,501	1,472	652	

	2022	a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
	(in thousands)	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										58
2	Of which: members of the MB	8	5	13							
3	Of which: other senior management				-	-	-	9	5	14	

		a	b	c	d	e	f	g	h	i	j
4	Of which: other identified staff				-	-	-	1	5	11	
5	Total remuneration of identified staff	283	1,454	1,737	-	-	-	1,365	1,340	3,259	
6	Of which: variable remuneration	-	-	-	-	-	-	216	220	190	
7	Of which: fixed remuneration	283	1,454	1,737	-	-	-	1,149	1,120	3,070	

Notes:

- In 2023 the variable remuneration solely consisted of a death grant for a member of the Executive Committee. In 2022 the variable remuneration consisted of severance payments.
- The number of identified staff under "Business areas" is conform requirement presented in number of FTE.

ENCUMBERED AND UNENCUMBERED ASSETS

EU AE1 - Encumbered and unencumbered assets

The value of the encumbered and unencumbered assets is related to the median value of the reporting year by broad categories of asset type.

		010	030	040	050	060	080	090	100
	31-12-2023	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which: notionally eligible EHQLA and HQLA		of which: notionally eligible EHQLA and HQLA		of which: EHQLA and HQLA		of which: EHQLA and HQLA
010	**Assets of the disclosing institution**	**14,754**	**5,983**			**100,787**	**11,689**		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	6,277	5,983	6,277	5,975	13,389	11,689	13,270	11,596
050	- of which: covered bonds	1,649	1,649	1,649	1,649	997	997	997	997
060	- of which: asset-backed securities	376	354	376	354	4,176	3,589	4,158	3,581
070	- of which: issued by general governments	3,980	3,980	3,972	3,972	6,529	6,399	6,450	6,313
080	- of which: issued by financial corporations	2,025	2,003	2,025	2,003	5,971	5,187	5,925	5,179
090	- of which: issued by non-financial corporations	272	-	280	-	889	103	895	104
120	Other assets	8,477	-			87,398	-		

	31-12-2022	010 Carrying amount of encumbered assets	030 of which: notionally eligible EHQLA and HQLA	040 Fair value of encumbered assets	050 of which: notionally eligible EHQLA and HQLA	060 Carrying amount of unencumbered assets	080 of which: EHQLA and HQLA	090 Fair value of unencumbered assets	100 of which: EHQLA and HQLA
010	**Assets of the disclosing institution**	**16,365**	**3,309**			**95,709**	**9,050**		
030	Equity instruments	0	0	0	0	-	-	-	-
040	Debt securities	3,669	3,309	3,688	3,309	11,995	9,050	11,804	8,887
050	- of which: covered bonds	1,017	1,017	1,017	1,017	671	671	671	671
060	- of which: asset-backed securities	162	32	160	31	5,246	3,257	5,195	3,231
070	- of which: issued by general governments	2,261	2,261	2,261	2,261	4,350	4,350	4,210	4,210
080	- of which: issued by financial corporations	1,178	1,048	1,176	1,048	6,655	4,510	6,585	4,484
090	- of which: issued by non-financial corporations	230	-	251	-	989	190	1,009	193
120	Other assets	12,696	-			83,714	-		

EU AE2 - Collateral received and own debt securities issued

The value of the collateral received is related to the median value of the reporting year by broad categories of asset type.

	31-12-2023	010 Fair value of encumbered collateral received or own debt securities issued	030 of which: notionally eligible EHQLA and HQLA	040 Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	060 of which: EHQLA and HQLA
130	**Collateral received by the reporting institution**	**0**	**0**	**4,525**	**1,104**
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	3,869	1,104
170	*- of which: covered bonds*	-	-	*1,100*	*1,100*
180	*- of which: securitisations*	-	-	*2,765*	-

		010	030	040	060
190	*- of which: issued by general governments*	-	-	-	-
200	*- of which: issued by financial corporations*	-	-	*3,869*	*1,104*
210	*- of which: issued by non-financial corporations*	-	-	-	-
220	Loans and advances other than loans on demand	-	-	656	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged			-	-
250	**Total assets, collateral received and own debt securities issued**	**14,754**	**5,983**		

		010	030	040	060
	31-12-2022			**Unencumbered**	
		Fair value of encumbered collateral received or own debt securities issued		**Fair value of collateral received or own debt securities issued available for encumbrance**	
			of which: notionally eligible EHQLA and HQLA		of which: EHQLA and HQLA
130	**Collateral received by the reporting institution**	-	-	**2,156**	**11**
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	983	11
170	*- of which: covered bonds*	-	-	-	-
180	*- of which: securitisations*	-	-	*972*	-
190	*- of which: issued by general governments*	-	-	*9*	*9*
200	*- of which: issued by financial corporations*	-	-	*974*	*2*
210	*- of which: issued by non-financial corporations*	-	-	-	-
220	Loans and advances other than loans on demand	-	-	1,173	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged			-	-
250	**Total assets, collateral received and own debt securities issued**	**16,365**	**3,309**		

EU AE3 - Sources of encumbrance

The value of the encumbered assets, collateral received and associated liabilities is related to the median value of the reporting year by broad categories of asset type.

		010	030	010	030
		31-12-23		31-12-22	
		Matching liabilities, contingent liabilities or securities lent	**Assets, collateral received and own debt securities issued other than covered bonds and ABSS encumbered**	**Matching liabilities, contingent liabilities or securities lent**	**Assets, collateral received and own debt securities issued other than covered bonds and ABSS encumbered**
010	Carrying amount of selected financial liabilities	7,857	8,927	10,457	11,961

EU AE4 - Accompanying narrative information

Encumbered assets are assets involving a pledge or claim and include loans deposited at the central bank, issued paper collateral for repurchase agreements and derivative contracts, re-issued paper collateral and collateralised buy-backs of BNG Bank issues. In times of funding and liquidity needs, encumbered financial assets are not freely disposable to be able to meet these needs in the short term.

Selected financial liabilities consist of derivative positions with a negative balance sheet value which are covered by paper collateral. Collateral received by BNG Bank comprises of debt securities issued by governments and financial corporations and is used for money market transactions. BNG Bank also pledged a portfolio of loans with the Central Bank for monetary purposes. Since most of the bank's assets could serve as collateral, this may be further extended in the event of prolonged stress.

ESG DISCLOSURES

In 2022, the EBA published binding standards for Pillar 3 disclosures on Environmental, Social and Governance (ESG) related risk categories. The standards put forward comparable disclosures and KPIs, including a green asset ratio (GAR) and a banking book taxonomy alignment ratio (BTAR). These are tools to show how institutions are embedding sustainability considerations in their risk management, business models and strategy. These tools also give insight in their pathway towards the Paris Agreement goals. The qualitative disclosures (table 1, 2 and 3) and templates 1, 2, 4, 5 and 10 were applicable as of 31 December 2022. As of 31 December 2023, the templates 6, 7 and 8 will take effect. Template 3 will be effective as of 30 June 2024 and template 9 (voluntary) as of 31 December 2024.

Identifying and addressing risks is one of BNG Bank's core activities. This includes the risks arising from environmental, social and governance (ESG) factors. In recent years, BNG Bank increased the focus on the determination of risks that are related to ESG-factors. ESG risks are classified as (in)direct financial and/or reputational damage due to ESG-events or inadequate response to public expectations. ESG-risks arise from any negative financial impact on the institution stemming from the current or prospective impacts of:
- Environmental risks: Acute or chronic physical factors for environmental risks, or the role of the bank itself or of associated third parties in the transition to an environmentally sustainable economy;
- Social risks: Violations of human rights, employee rights, poverty or client relationships committed by the bank itself or by related third parties;
- Governance risks: Inadequate corporate governance, unethical management or a lack of transparency by the bank itself or by related third parties.

From the different ESG-risks, BNG Bank focuses most on environmental risks as these were identified as most material. Environmental risk encompasses both climate risk and other environmental risks such as biodiversity loss and water scarcity. Environmental risk includes both physical risk and transition risk:
- Physical risks may arise from more frequent and severe environmental events. These events can be acute, such as floods, or chronic, such as a sea level rise;
- Transition risks may arise from the process of adapting to a more environmentally sustainable economy, for example climate-related policy changes, technological changes or investor and consumer sentiment towards a greener environment. For example, when emissions are relatively high, we might face higher transition risks due to potential future climate-related policy changes.

The occurrence of physical and transition risks is often inversely related. As a response to the potential impact of physical risks rapid, stringent and far-reaching governmental policy can be introduced, which can lead to increased transition risks. Alternatively, physical risks might increase over time if governmental policies are lacking.

This section focuses on risks arising from ESG factors to our own financial performance (“outside in”). In the Sustainability Policy BNG Banks clarifies how it aims to make a long-term contribution to society and the environment ("inside out"). For more information on how BNG Bank manages its own impact, see the 2023 Annual Report and the in 2023 updated Sustainability Policy.

Table 1, 2 and 3 - Qualitative information on Environmental-, Social and Governance risk

Information requirements following the tables 1, 2 and 3 of ITS No 2021/637 on public disclosures by institutions are merged into this section. As described in the tables, the qualitative requirements for ESG risks are split up in three topics:
- Business strategy and processes;
- Governance;
- Risk management.

Business strategy and processes

Integration of ESG factors and risks

BNG Bank is a publicly owned bank servicing the public sector in the Netherlands. BNG Bank's purpose is "driven by social impact”. BNG Bank does not aim to maximize its profit or return on equity, but aims to help the Dutch public sector meet the challenges facing society by providing financing on the most attractive possible terms. Through BNG Bank's policies, the bank sets out to have a long-term contribution to society and the environment. The main activities (lending and funding) as well as the management of its internal organization and its role as an employer are embedded in the three dimensions of the ESG-model.

BNG Bank’s lending activities are focused on the Dutch public sector. This includes Dutch public authorities, organisations that perform a public task (such as housing associations), organizations for which the government provides a guarantee of at least half of their resources (such as healthcare institutions and educational institutions), organizations of which half or more of the share capital is provided for by the government and/or activities where the government issues a 100% credit guarantee. BNG Bank also finances projects in the energy, environmental, mobility and networks sectors, provided they are part of the public sector.

BNG Bank’s strategy, Our Road to Impact, is geared towards sustainability. At the end of 2023, we closed the first three-year period of Our Road to Impact with valuable results. In 2024, we started with a revised strategy for the period 2024-2026. BNG Bank aims to be the main lender in the public sector in order to make the Netherlands more social and sustainable. The strategy determines which clients are issued loans, how clients are served and how the organization is structured. BNG Bank engages with its clients and helps them to achieve their social objectives. Furthermore, BNG Bank aims to be “demonstrably sustainable”. Meaning, to be transparent about the sustainability performance. The aim is to improve our clients’ sustainability performance and the performance of BNG Bank itself. BNG Bank wants to ensure the organization is resilient and prepared for opportunities relating to ESG. Here BNG Bank also wants to increase the positive impact of our clients. An example of how BNG Bank can have a positive impact is to reduce the CO2e emissions[4] from BNG Bank itself.

A number of policy instruments are to being deployed to help achieve the abovementioned aims. BNG Bank holds strategic client conversations, with the goal of increasing our clients' environmental and social impact and to mitigate ESG-risks. When providing balance sheet financing, BNG Bank encourages and supports clients by sharing knowledge and providing innovative solutions. When providing project financing, a sustainability analysis is performed for each loan application and, if necessary, lending is prioritized towards the most sustainable projects. Moreover, BNG Bank has set up the BNG Sustainability Fund to finance small initiatives that contribute to the sustainability goals of municipalities and provinces. Furthermore, BNG Bank has an exclusion policy based on ESG-factors. These instruments function as an mitigant to our exposure to ESG risk drivers. For example, as a result of our exclusion policy, BNG Bank has no exposure in the exploration and extraction of fossil fuels, an industry prone for transition risks.

The way in which BNG Bank addresses human rights as an integral part of the value chain is set out in the Human Rights Policy. It addresses the potential human rights issues related to BNG Bank and its customers, suppliers and employees. BNG Bank has defined its human rights policy according to the UN Guiding Principles on Business and Human Rights.

BNG Bank has joined a number of initiatives to help achieve our sustainability goals and mitigate ESG-risks. BNG Bank is a signatory of the Dutch climate commitment of the Dutch financial sector. Moreover, BNG Bank subscribed to the Dutch International Corporate Social Responsibility (*Internationaal Maatschappelijk Verantwoord Ondernemen - IMVO*) agreement. Furthermore, BNG Bank applies the Equator Principles, to identify and manage environmental and social risks mitigate ESG-risks in project financing. In 2024, BNG Bank signed the Diversity charter of the *Sociaal Economische Raad* (SER) Diversity in Business, in order to reiterate the Bank’s commitment to increasing diversity and inclusion within the bank.

ESG risks are an integral part of BNG Bank’s Risk Management Framework (RMF), which is our policy framework for identifying risks. The Risk Appetite Statement (RAS) forms a central component of this framework, in which risk limits are set. The RAS is updated annually on the basis of internal and external developments. The ESG Risk Materiality Assessments (RMAs), which are performed for all relevant traditional risk categories, provide key inputs for the RAS. The RMAs are performed for the short-term (< 3 years), medium-term (4-10 years) and long-term horizon (>10 years). These analyses are updated according to a schedule to ensure that the risk assessments remain up to date. The short-term analysis is updated annually, the medium-term analysis every three years and the long term analysis every six years. For

[4] Where we mention CO2 in this document, we refer to all greenhouse gases that contribute to climate change (CO2e)

each sector, BNG Bank assesses the impact of ESG risks on credit risk. This involves looking at the transmission channels by which ESG risks can lead to credit risk and an assessment of how material these risks are. For the most material ESG risks, metrics have been developed to monitor the identified risks.

Objectives, target and limits

To monitor the realization of the strategy, BNG Bank has set objectives and measures the progress through indicators.

In order to measure the social impact, BNG Bank uses the UN Sustainable Development Goals (SDGs) as a point of reference. BNG Bank specifically focuses on the five SDGs which correspond most closely to the activities that BNG Bank finances: good health and well-being (SDG 3), quality education (SDG 4), affordable and clean energy (SDG 7), sustainable cities and communities (SDG 11), and climate action (SDG 13). In 2020, BNG Bank expressed the ambition to make 10% more social impact in 2023 compared to 2021, according to an internal methodology. The client groups included in our methodology are: municipalities, housing associations, healthcare institutions and educational institutions. These parties represent roughly 90% of the lending on our balance sheet. In order to quantify this ambition, BNG Bank has measured its clients progress on 35 indicators that can be traced back to these five SDG's. The full methodology, can be read in the document 'Methodology for measuring BNG Bank's impact'.[5] The ambition of 10% impact growth has almost been achieved: according to the methodology, the impact has grown by 9.3% in 2023 compared to base year 2021.

In 2019, BNG Bank signed the climate commitment of the Dutch financial sector. That commitment includes reducing the CO2e emissions of our clients ("financed emissions") in line with the Paris Climate Agreement. As a follow-up to this commitment, BNG Bank presented its climate action plan, Going Green, in 2022. This plan sets out the commitment to bring both the financed CO2e emissions and the carbon footprint of its own operations in line with the Paris Climate Agreement. This means that, by 2050 at the latest, BNG Bank will have reduced the CO2e emissions from relevant activities in its value chain to net zero.

In "Going Green", BNG Banks road to net zero emissions has been mapped. In addition to the long term goal of net zero emissions by 2050, the climate plan contains two near-term reduction targets for the absolute scope 1 and 2 emissions emitted by our loan portfolio. By 2025, the target is to achieve at least a 25% reduction in these financed emissions compared to 2018.[6] By 2030, the target is a reduction of at least 43% compared to 2018. BNG Bank has set science-based targets for the emissions related to the real estate of its four main sectors the bank finances. These targets are based on sectoral decarbonization pathways developed by the Carbon Risk Real Estate Monitor (CRREM). These decarbonization pathways provide insight into the level of CO2e emissions required for a particular sector to remain within the limits of the Paris Agreement. BNG Bank has used the decarbonization pathways that are consistent with the 1.5°C scenario, expressed in CO2e per m^2. BNG Bank aims to submit its near-term reduction targets to the Science Based Targets initiative (SBTi) for verification.

5 https://www.bngbank.com/-/media/Project/CBB/BNG-Bank-Shared/Documents/Impact/20230119DA_BNG_Bank_Impact_Meten_Rapport_EN.pdf?rev=bb366bada18b41a58795bd94457b6e74

6 In contrast to the previous Pillar 3 report, BNG Bank addresses reference year 2018 instead of 2019. The fundamental reference itself has not changed as the financed emissions presented as 'reporting year 2019' concerned the emissions related to the loan portfolio as at 31-12-2018. However, for the sake of transparency, from now on, BNG Bank will communicate the year for which the emissions were calculated (2018) instead of the reporting year (2019).

BNG Bank reports annually on its financed emissions in its annual report. In addition, BNG Bank published a 'Going Green' progress report to provide insight into what is has achieved in 2023 and where BNG Bank stands on its path to net zero. Due to the lag of data, 2022 is the most recent year for which BNG Bank is able to present its financed emissions. In 2022, 2,667 kilotons of CO2e were generated by its loan portfolio (2021: 2,724 kilotons CO2e). This is a decrease of 2,1% in absolute emissions compared to 2021. If the total financed emissions (scope 1, 2 and 3) are not considered but only the scope 1 and 2 emissions of clients, the decrease in absolute emissions is 9.5%. Compared to the reference year 2018, the decrease in absolute scope 1 and 2 emissions of the loan portfolio is 21.8%.

In its Diversity and Inclusion Policy, BNG Bank has formulated objectives with regard to the diversity of its own organization. BNG Bank employs more than 450 staff members. BNG Bank aims for a male/female ratio with at least 40% women and at least 40% men across the entire organization, including on the Supervisory Board and Executive Committee. In terms of age distribution, BNG Bank aims for a 50/50 split between employees aged 45 or under and those aged over 45.

Current and future investment strategies

BNG Bank's current strategy is to serve the Dutch public sector by providing financing on the most attractive possible terms. BNG Bank is regarded as one of the safest banks in the world. This implies that BNG Bank can raise funding on the international money and capital markets at some of the lowest possible interest rates and passes these low interest rates on to its clients, typically through simple financing instruments.

BNG Bank is after the Dutch state the largest SSA (sub-sovereigns, supranationals, agencies) bond issuer in the Netherlands. In order to keep funding at the lowest possible rates, BNG Bank aims to serve a broad investor base. A large proportion of BNG Bank's investors is engaged in sustainability. In order to meet our investors' appetite, BNG Bank developed its Sustainable Finance Framework. Under this Framework, BNG Bank issues bonds with a social or sustainable label. The funds raised with "sustainability bonds" are used to provide loans to municipalities. The funds raised under the label "social bonds" are used to provide loans to social housing associations. Under this framework, the budgets of municipalities and spending of housing associations are linked to the SDGs and the green and social bond categories of the International Capital Market Association (ICMA). The proportion of labelled bonds issued by BNG has grown steadily since 2014. In general, sustainability and social bonds now make for around 30-45% of newly issued BNG Bank bonds each year, which corresponds to an amount of approximately EUR 5 to 7 billion per year. In 2023 specifically, BNG Bank issued EUR 6.3 billion worth of ESG bonds, representing 41% of total 2023 issuance, both through new bond issues and by increasing the amount of some existing bonds. BNG Bank aims to maintain the total amount of labelled bond issued annually around this level, and if possible, to increase it.

BNG Bank expects the years ahead to revolve around solving major environmental and social challenges. Significant work is required in the Netherlands in the areas of housing, public services, healthcare and education. For instance, a social problem in the Netherlands is the shortage of housing. In order to remedy that shortage, the Dutch government is to add one million houses to the existing housing stock. Social housing associations will be responsible to add 300,000 new accomodations. As the main financer of housing associations in the Netherlands, BNG Bank will take its part in financing these new accomodations.

Furthermore, to combat climate change, major investments must be made in the Netherlands. With over 2.4 million affordable rental properties, the social housing associations are a major factor in meeting the climate goals for the Dutch housing market. Social housing associations have agreed to phase out homes with E/F/G energy labels by 2028, to make 450,000 homes natural gas free by 2030 and to install future-proof insulation in 675,000 homes by 2030. By signing the Dutch Climate Agreement, other client groups, such as municipalities and healthcare institutions, have agreed to work to reduce CO2 emissions by 55% by 2030 and to work towards net-zero CO2 emissions by 2050. Major investments are also required to improve the sustainability of the buildings of educational institutions. In a similar fashion, large investment must be made in the Netherlands to be more resilient to the consequences of climate change ("climate adaptation").

By providing our customers with financing for these (and other) social and environmental challenges, it contributes to our mission to operate and mitigates risks in the field of ESG.

As of 2025, BNG Bank will be subject to mandatory reporting under the EU Taxonomy. The taxonomy is a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate. The EU Taxonomy helps direct investments to the economic activities most needed for the transition, in line with the European Green Deal objectives. Given their (semi-)public nature, the vast majority of BNG Bank's clients are currently not subject to reporting under the EU Taxonomy regulation. At the moment, most clients are not reporting voluntarily whether their activities are in line with the taxonomy. This significantly limits the possibilities for BNG to screen its own portfolio for compliance with the taxonomy, or to set taxonomy-related investment goals. As a result BNG Bank expects the Green Asset Ratio (GAR) for the 2025 financial year to be very low (< 2%). BNG Bank is discussing with the various sectors how and to what extent they may be able to provide the required information in the future.

BNG Bank is preparing to start reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). BNG Bank will fall within the scope of the CSRD from the 2025 financial year onwards. This means that BNG Bank will start reporting under the CSRD in 2026. As part of the CSRD-implementation, in 2024, a double materiality analysis (DMA) has been conducted. On the basis of the DMA, BNG Bank will formulate targets for the topics that are deemed material, at the end of 2024 at the latest. From 2025 onwards, the focus will be towards other ESG topics.

Policies and procedures

With our Customer Due Diligence (CDD) Policy and the accompanying guidelines and instructions, we identify and assess risks related to ESG for individual clients. At this stage, we are particularly focused on sustainability aspects, such as human rights (including potential negative social impacts of the client's activities), and tax integrity. We aim to further expand our policies in the near future, in line with our own sustainability ambitions and developments in the market.

BNG Bank is in close contact with its clients. To help discuss societal topics, BNG Bank has collated the key themes for each specific client group in a tool. The themes are based on sector ambitions and form a consistent whole with BNG Bank's impact framework. It enables BNG Bank a guide for conversations with cliens and to gradually gain more insight into how its clients approach societal themes and how BNG Bank can better help them to achieve their ambitions in this area. BNG Bank expects commitment from its clients in relation to social and environmental objectives, and expects them to show progress. Depending on the progress made, these conversations may involve more stringent guidance. In this regard, BNG Bank does not rule out placing conditions on loans, or ultimately even excluding clients.

Since 2023, reducing CO2 emissions has been on the agenda in these strategic client conversations with all its larger clients, including housing associations, municipalities and healthcare and educational institutions. With these clients, BNG Bank checks whether they have their own climate targets. From 2024 onwards, BNG Bank will analyze whether the reduction plans of its larger clients are in line with the climate agreement or with their own sector targets. From 2025 onwards, for most of its clients, having a climate action plan in place, either at the corporate or asset level, will be a prerequisite for financing.

ESG risks can have a negative impact on clients' credit ratings or collateral. In order to map these risks, BNG Bank has developed a ESG-rating methodology. With this methodology, BNG Bank estimates ESG risks for each individual client. In the coming years, BNG Bank will work on incorporating ESG risks into the rates that are charged to clients and the assurances we require from clients.

Governance

Internal governance and responsibilities

BNG Bank is a statutory two-tier company under Dutch law. The governance structure comprises the Management Board, which is part of the ExCo, and the Supervisory Board. The Supervisory Board oversees the policies of the ExCo and the general state of affairs at the company and subsidiaries. The members of the Supervisory Board are appointed by a General Meeting of Shareholders on the recommendation of the Supervisory Board. The ExCo is responsible for the overall strategic course and business model, including sustainability-related topics.

The Sustainable Banking Committee (SBC) is tasked with setting, implementing and reporting on BNG Bank's comprehensive sustainability policy. This includes overseeing our long-term environmental and social contributions and identifying material ESG risks that could have a negative impact on our performance. The committee is comprised of two ExCo members along with the senior management from those business units most closely involved with sustainability. The ESG Regulatory Change Framework (RCF) Task Force identifies upcoming legislation in the area of ESG and its impact on the bank. The ESG RCF Task Force identifies upcoming legislation in the area of ESG and its impact on the bank.

ESG risks are embedded in the existing risk management framework. The ESG factors with a material impact on the bank have been laid down in the definitions of the traditional risk types. ESG factors are discussed in the relevant Executive Committee subcommittees. The Credit (Policy) Committee STMP manages and monitors the impact that ESG factors could have on the bank's credit risks. The Treasury Credit Committee monitors and manages the impact that ESG factors could have on the bank's credit risks in relation to financial counterparties and investments. The Non-Financial Risk Committee (NFRC) supports the Executive Committee with regard to topics that fall under operational, compliance and security risks, including the impact that ESG factors could have on these risks. Finally, the Asset & Liability Committee manages the bank's liquidity, market, refinancing and solvency risks, including the impact that ESG factors could have on these risks.

Governance performance of our counterparties

BNG Bank focusses on the Dutch public sector. The lending portfolio is almost exclusively allocated to the Netherlands. Governance requirements of many of our clients are laid down in legislation, and compliance with them is monitored by governmental institutions.

BNG Bank invests in long-term relationships with counterparties by regularly speaking to them in consultations, regional meetings and sector meetings and through research. BNG Bank organizes annual meetings for municipal customers in which current topics are discussed. BNG Bank also provides substantive contributions to meetings on healthcare, education, municipal and corporate real estate. Specifically, BNG Bank discusses strategic topics that are important to both the bank and customers, such as ESG, with its Board of Clients. This board consists of approximately ten high level experts from different customer groups. These dialogues provide a good view of their opportunities and risks.

Risk management

Integration of ESG risks in risk framework

The majority of the loans that BNG Bank provides are granted to or guaranteed by government bodies. Compared with other banks, the risks BNG Bank faces are limited. This is reflected by BNG Bank's strong external credit ratings. Nevertheless, identifying and addressing risks is one of BNG Bank's core activities. This includes the risks arising from ESG. As is the case for the financial sector as a whole, BNG Bank has in recent years increased the attention it pays to ESG risks.

BNG Bank considers ESG risks to be part of the traditional risk categories, such as credit, market, liquidity and operational risks. More information regarding the Risk Management Framework and the risk types can be found in the Annual report of 2023, specifically the section of Risk management in the chapter Internal Business Operations.

Activities, commitments & exposures to mitigate ESG risks

BNG Bank has a conservative risk profile. BNG Bank applies a strict capital policy, places restrictions on services and counterparties and does not engage into proprietary trading. Guaranteed loans make up a large part of BNG Bank's portfolio. We expect that existing guarantees will be respected if ESG risks materialize.

The key ESG risks which have been identified in the credit risk category are those relating to climate and environmental risks. BNG Bank considers the risk that climate policies could lead to an increased likelihood of bankruptcy to be the most material risk. Following, the physical risks are considered to be in certain instances material. These risks are underpinned by the assumption that, in the event of an environment-related disaster, insurance or government support will be available to partially mitigate the impact of the damage and losses. Social and Governance factors (the "S" and "G" in ESG) are considered to be less material risks for BNG Bank. This is because BNG Bank's exposure is primarily in the Netherlands, and the Netherlands has good governance practices. Any impact of social and governance risks is more likely to be caused by incidents than by structural factors. Below is an overview with the identified key ESG risks on our balance sheet for the medium term:

Risk type	Sector/portfolio/sub-risk		Material ESG factors
Credit risk (counterparty & concentration risk) – creditworthiness	Social housing		Emissions, Energy Efficiency
	Healthcare		Emissions, Energy Efficiency
	Education		Emissions, Energy Efficiency
	Local authorities		Emissions, Energy Efficiency, Biodiversity
	Networks	Energy networks	Emissions, Energy Efficiency
		Heat networks	Emissions, Energy Efficiency
		Water networks	n/a
	Environment	Municipal cleaning companies	n/a
		Waste processors	Emissions, Energy Efficiency
	Mobility	Infrastructure	Emissions, Energy Efficiency, Raw Material Sourcing, Biodiversity
		Public transport	Emissions, Energy Efficiency, Raw Material Sourcing
	Energy	Solar	n/a
		Wind	Biodiversity
		Biomass	Raw Material Sourcing
		Geothermal	n/a
Credit risk (counterparty & concentration risk) – collateral value	Real estate		n/a
	Equipment		n/a
	Receivables		n/a
Market risk (credit spread risk) – collateral value	Governments		Emissions, Energy Efficiency
	Financials		Emissions, Energy Efficiency
	Covered bonds		n/a
	RMBSs		n/a
Liquidity risk			n/a
Operational risk	Process risk		Impact of ESG laws and regulations on embedding in processes
	Model risk		Development of an ESG rating model to be able to rate clients in the field of ESG
	Data management risk		Providing ESG-related data
	External event risk		Impact of climate aspects on business operations

When it comes to ESG risks, the past is a poor indicator of the future. BNG Bank's loans have a significant geographic concentration in the Netherlands. We are aware that ESG factors could have an impact on the willingness of the Dutch public sector to provide new guarantees in the future. This in turn could have an impact on our business model and strategy.

BNG Bank closely monitors ESG developments and ensures that is protects itself against these risks. BNG Bank is in the process of modelling client-related ESG risks and will use these insights to adjust our policies accordingly. BNG Bank is continually working on quantifying ESG risks. This will involve creating new models and calculating the impact of negative ESG scenarios and shocks. The goal of these developments is to create ESG risk estimates for each individual client and on a portfolio level. In addition, We will then work on incorporating ESG risks into the rates we charge clients and into the collateral we require from clients.

Identification, measurement and management of ESG risks and transmission channels

For each sector, BNG Bank assesses the impact of ESG risks on credit risk. This involves looking at the transmission channels by which ESG risks can lead to credit risk. It is then assessed how material these risks are. For most material ESG risks there have been metrics developed to monitor the risks. One of the Key Risk Indicators that has been developed is the Weighted Average Carbon Intensity (WACI). The WACI is used to calculate the CO2-intensity and is used in reporting to monitor the CO2-intensity if the activities if a client.

Climate risks are also part of our stress test programme. The impact of climate risks is assessed in our Internal Capital Adequacy Assessment Process (ICAAP). BNG Bank uses climate scenarios to identify its risks. These scenarios are partly calculated on the basis of the Climate Impact Atlas. We link this data to the locations of our exposures by means of geocoding.

Efforts to improve data availability, quality and accuracy

BNG is dealing with an increasing amount of ESG-related data, and the importance for ESG-related data for decision making is growing. In the near future, implementing the Corporate Sustainability Reporting Directive (CSRD) will only add to these trends. In order to manage ESG data, BNG Bank has started a project to structure its processes and further develop its internal data governance. The basis for this project is an High Level roadmap, which lays down the main activities in 2024. The roadmap focuses on the entire chains of data, from data sourcing, storage, processing to consumption.

With regard to data sourcing, at the initiative of BNG Bank and others, a group of various stakeholders has formed to develop a uniform way of discussing ESG to report in the Dutch public sector. This coalition consists among others of the Ministry of the Interior and Kingdom Relations, Statistics Netherlands (CBS), various accountancy organizations, municipalities and water boards. The group calls itself the 'coalition of the willing' and will continue its journey in 2024 to reach its common goal. Common ESG reporting standards for the Dutch public sector can potentially help BNG Bank to identify and mitigate ESG-related risks.

Governance performance of our counterparty

BNG Bank and its clients are committed to contributing to a sustainability shift. The basis of the relationship between BNG Bank and its clients is mutual respect, collaboration and professionalism. BNG Bank encourages clients to conduct their business in a sustainable and responsible manner. When new clients are assessed, BNG Bank has included behavioral criteria in the Customer Due Diligence (CDD) policy to determine if the client can be accepted. Part of the review and application process is the extent to which a relationship shares essential information. This includes a critical review of auditors' statements. BNG Bank carries out reviews by holding strategic client meetings with a large group of clients. The degree of transparency is experienced face to face.

Template 1 - Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity

Template 1 provides quantitative information on climate change transition risk and is used to provide information on the exposures that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. BNG Bank has to disclose information on exposures towards non-financial corporates operating in carbon-related sectors and information on scope 1, 2 and 3 Green House Gas (GHG) emissions of its counterparties:

- Scope 1 emission are classified as direct emissions caused by sources owned (or under control of) the counterparty;
- Scope 2 compiles of indirect emissions from energy consumed by the counterparty (i.e. electricity, steam, heat and cooling);
- Scope 3 emissions (also known as value chain emissions) comprise all other indirect emissions not included in scope 2 that are emitted in the whole value chain of the counterparty.

The overview of financed emissions are aggregated at the Nomenclature of Economic Activities (NACE) sector level. Emissions related to BNG Banks loan portfolio have been estimated at borrower level. The estimation method differs per sector. However, within a sector the method is aligned. For the following sectors emission are estimated and reported: social housing, healthcare, education, networks (specifically drinking water utilities), mobility and other projects. As the emission data does not cover all sectors and only covers counterparties related to the loan portfolio, not all exposure reported in this template have related emissions. For scope 1 and 2, 87% of the exposures and 60% of counterparties reported under pillar 3 are estimated. For scope 3, 5% of the exposures and 17% of the counterparties are estimated (please note that due to data challenges, and as can be seen in the methodological descriptions below, only a small fraction of scope 3 emissions are measured). As scope

3 concerns all value chain emissions, it is considered separately from scope 1 and 2 which covers direct and indirect emissions from a specific counterparty. The estimation method has incrementally improved in validity, scope and exposure/counterparty coverage each reporting year.

BNG Bank uses the Partnership for Carbon Accounting Financials (PCAF) methodology in the measurement and calculation of the emissions of its counterparties and the associated financed amount. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the GHG-emissions associated with their loans and investments. Financed emissions have been calculated by multiplying the GHG-emissions of individual counterparties by the proportionate share of the outstanding loan volume with BNG Bank in the total balance sheet (equity plus debt) of the client.

The full PCAF report, which includes a detailed description of all calculations and data sources, is published on the website of BNG Bank. As mentioned, the estimation method differs per sector. More information is provided regarding the sources of the data used for the different emissions and calculations used within the housing, healthcare, educational, network and mobility sector by BNG Bank.

Methodology for social housing, healthcare and education sector

There has been an improvement in the measurement methodology of the scope 1 and 2 emissions for clients in the sectors 'social housing'and 'education'. Whereas previously data at an aggregated level was used (e.g. energy use by housing associations at the municipal level), necessitating attribution to the client-level involving assumptions, now energy use by buildings (addresses) is used to measure the emissions for these types of clients. This data is retrieved from the grid operators and entails actual energy consumption of gas, electricity and heat. Consecutively this is conversed to emissions by using emission factors for the corresponding energy type. Please note that, due to privacy legislation, addresses of clients have been clustered into groups of 5. These emissions can be classified as physical-activity based.

In addition the scope 3 emissions from employee commuting are measured for 'healthcare' clients. Average travel distance per person on province level is available from the Dutch Central Bureau of Statistics. The average distance is multiplied by the average distance travels per mode of transport (bus, tram, metro, train, bike, car (passenger/ driver) and other modes). The average travel distances per mode of transport is then attributed on the basis of number of FTE per healthcare entity on province level. The cumulative distances per mode of travel per entity is then multiplied by CO2e-factors corresponding to the distance traveled per mode of transport. These emissions can be classified as physical-activity based.

Methodology for network sector

Companies in this sector (specifically water companies) have jointly developed a method on how to measure their scope 1, 2 and 3 emissions, namely the 'Code of Practice'. With this uniform practice, water supply companies within the network sector aim to provide a complete calculation of emissions. The scope 1 emissions comprise of emissions related to the extraction and treatment of groundwater and the natural gas and generators used. In addition, the use of vehicles per institution is also considered. The indirect emissions that fall within scope 2 are linked to the different types of purchased energy. The other indirect emissions (scope 3) are any local or international travels, chemicals used, transport by suppliers and transport of residual products. For each of these indicators a unit is determined which is multiplied by an emission factor. A more detailed description of the specific methodology can be found on their website[7]. As the calculations are prepared by use of the 'Code of Practice' which is developed by the sector themselves, BNG Bank does not use a separate methodology and/or calculations.

Methodology for mobility and other sectors

Where possible, the reported emissions for clients in the mobility and other sectors were directly used. However, not all counterparties report this data. The scope 1 and 2 emissions for these clients were estimated based on economic activity data. More specifically, GHG emissions are obtained via CBS Statline by looking at GHG emissions based on the Standard Industrial Classifications (SBI). For each SBI code a measure for total GHG emission is available. This has been converted to an average GHG emissions in kilograms per net revenue in millions per SBI code. This is combined with the total net revenue of the client to obtain the GHG emissions for these clients.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	31-12-2023	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)							
	(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12 (1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which: Stage 2 exposures	Of which: non-performing exposures		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	Exposures towards	50,647	532	-	64	397	-31	-1	-29	494,249	268	-	7,227	9,210	12,173	22,037	132

[7] https://www.praktijkcodesdrinkwater.nl/opbrengst/klimaatneutraliteit/?search=klimaat

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	sectors that highly contribute to climate change*																
2	A - Agriculture, forestry and fishing	0	-	-	0	-	-0	-0	-	-	-	-	0	-	-	-	-
3	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	*B.05 - Mining of coal and lignite*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*B.06 - Extraction of crude petroleum and natural gas*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	*B.07 - Mining of metal ores*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	*B.08 - Other mining and quarrying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	*B.09 - Mining support service activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	C - Manufacturing	9	-	-	-	-	-	-	-	-	-	-	2	2	5	-	10
10	*C.10 - Manufacture of food products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*C.11 - Manufacture*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	of beverages																
12	*C.12 - Manufacture of tobacco products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	*C.13 - Manufacture of textiles*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	*C.14 - Manufacture of wearing apparel*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	*C.15 - Manufacture of leather and related products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	*C.17 - Manufacture of pulp, paper and paperboard*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	*C.18 - Printing and service activities related to printing*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
19	*C.19 - Manufacture of coke oven products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	*C.20 - Production of chemicals*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	*C.21 - Manufacture of pharmaceutical preparations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	*C.22 - Manufacture of rubber products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	*C.23 - Manufacture of other non-metallic mineral products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	*C.24 - Manufacture of basic metals*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	*C.26 - Manufacture of computer, electronic and optical products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
27	*C.27 - Manufacture of electrical equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	*C.30 - Manufacture of other transport equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	*C.31 - Manufacture of furniture*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	*C.32 - Other manufacturing*	9	-	-	-	-	-	-	-	-	-	-	2	2	5	-	10
33	*C.33 - Repair and installation of machinery and equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	D - Electricity, gas, steam and air conditioning supply	785	-	-	62	10	-5	-1	-4	-	-	-	45	84	653	2	30
35	*D35.1 - Electric*	685	-	-	62	10	-5	-1	-4	-	-	-	45	84	554	2	6

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	power generation, transmission and distribution																
36	*D35.11 - Production of electricity*	556	-	-	57	-	-1	-1	-	-	-	-	11	77	466	2	10
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	99	-	-	-	-	-	-	-	-	-	-	-	-	99	-	14
38	*D35.3 - Steam and air conditioning supply*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	E - Water supply; sewerage, waste management and remediation activities	640	-	-	0	-	-0	-0	-	-	-	-	152	267	221	-	9
40	F - Construction	2,414	-	-	-	143	-22	-	-22	13,506	-	-	546	328	518	1,023	31
41	*F.41 - Construction of buildings*	2,157	-	-	-	143	-22	-	-22	13,409	-	-	487	326	433	912	12
42	*F.42 - Civil engineering*	235	-	-	-	-	-0	-	-	97	-	-	48	-	75	111	9
43	*F.43 - Specialised construction activities*	22	-	-	-	0	-0	-	-	-	-	-	10	2	10	-	10
44	G - Wholesale and retail trade;	63	29	-	-	-	-0	-	-	23	-	-	1	8	55	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	repair of motor vehicles and motorcycles																
45	H - Transportation and storage	774	497	-	-	99	-0	-	-	12,897	268	-	131	386	122	135	35
46	*H.49 - Land transport and transport via pipelines*	179	-	-	-	-	-	-	-	1,015	-	-	47	-	-	132	19
47	*H.50 - Water transport*	5	-	-	-	-	-0	-	-	-	-	-	5	-	-	-	5
48	*H.51 - Air transport*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	*H.52 - Warehousing and support activities for transportation*	590	497	-	-	99	-0	-	-	11,882	268	-	79	386	122	3	11
50	*H.53 - Postal and courier activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	L - Real estate activities	45,961	6	-	2	145	-4	-	-3	467,823	-	-	6,349	8,134	10,600	20,877	17
53	**Exposures towards sectors other than those that**	**4,824**	**-**	**-**	**678**	**84**	**-51**	**-11**	**-29**	**84,247**	**9,660**	**-**	**554**	**1,085**	**1,663**	**1,522**	**37**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	highly contribute to climate change*																
54	K - Financial and insurance activities	593	-	-	-	3	-0	-	-	-	-	-	3	-	85	505	21
55	Exposures to other sectors (NACE codes J, M - U)	4,231	-	-	678	81	-51	-11	-29	84,247	9,660	-	551	1,085	1,577	1,018	16
56	**TOTAL**	**55,471**	**532**	**-**	**742**	**481**	**-82**	**-12**	**-58**	**578,495**	**9,928**	**-**	**7,780**	**10,295**	**13,836**	**23,560**	**169**

The data in this template includes exposures to non-financial corporations with activities in the defined sectors, classified according to their NACE code. The predominant sector in this overview is "L: real estate". This sector includes the exposures of BNG Bank to housing associations, which is one of the main financing sectors of BNG Bank. Local governments, another important financing sector for BNG Bank is not included in this overview.

Template 2 - Banking book – climate change transition risk: loans collateralised by immovable property – energy efficiency of the collateral

In template 2, banks are required to disclose the climate transition risk related to loans collateralised by immovable property as per 31-12-2022. BNG Bank mortgage portfolio (HVO portfolio) was sold in 2022 and has been liquidated in 2023. As BNG Bank does not have such specific portfolios containing immovable properties, this template is not applicable.

Template 4 - Exposures in the banking book to the top 20 carbon-intensive firms in the world

BNG Bank does not compile a top 20 list but uses available lists. In the determination which list BNG Bank would use, several criteria are taken into consideration. The measurement date of the emission data used, the selection of companies made, the scope of the emission data used and the Carbon equivalents are criteria that are included.

The following lists were assessed based on the abovementioned criteria:
- Carbon Majors Database from the Carbon Disclosure Project;
- Thomson Reuters Global 500 Greenhouse gas performance;
- Thomson Reuters Global 500 Fossil fuel energy sectors.

BNG has selected the top 20 list provided by the Carbon Majors Database from the Carbon Disclosure Project. This database uses 2018 as a reference period, which was found to be the most recent one available compared to other lists under consideration. In addition the Carbon Majors Database includes scope 3 emissions in their ranking. However, this list only includes fossil fuel- and cement companies, thereby leaving other sectors out.

Template 5 - Banking book – climate change physical risk: exposures subject to physical risk

In template 5 exposures are reported that are subject to both acute and chronic physical climate risk aggregated to NACE sector levels. There have been methodological changes in the measurement of flood risk for healthcare clients and educational clients. For these clients damage to buildings due to flooding has been estimated and related to their equity in order to determine sensitivity. For the other risk types (i.e. pile rot and natural fires) and for housing association the physical asset location are coupled to the Climate Adaptation Services (CAS) scenario's (for pile rot, natural fires and, excluding healthcare organizations, flooding). Based on scenario threshold values for these locations, clients sensitivity to these physical climate events was assessed (e.g. a flood depth of 2m or more). If no physical location data is available, the statutory postal code is used as a proxy.

Method based on flood damage relative to equity

For healthcare organizations and educational institutions sensitivity to flood risk has been measured by estimating the damage to buildings that would occur given certain flood scenarios and by relating this damage amount to their equity reserves. This process can be divided into three steps:

Step		Description
1	Measuring flood hazard and exposure	Flood hazard consists of the flood depths and exposure consists of the amount of assets exposed to that hazard.
1.1	Select flood map/scenario	Flood maps are used that indicate the water depth of hypothetical flood events with different probabilities of occurrence.
1.2	Couple flood map values to physical asset location	These flood depth values are linked to building locations of clients using a Geographic Information System (GIS).
2	Determining corresponding flood damage (vulnerability)	Damage functions capture the vulnerability of assets to the physical risk event.
2.1	Select flood damage function	A flood damage function measures the damage that would occur at a certain flood depth.
2.2	Calculate damage amounts	The flood depths resulting from step 1.2 are used as input for the damage function in combination with the amount of m2 of the buildings.
3	Determine sensitivity	A heatmap is constructed based on the damage amount relative to the equity of a client and the probability of the flood.

Measuring flood hazard and exposure

The flood hazard maps have been retrieved from the National Information system for Water and Flooding (LIWO). Specifically the maximum flood depth for two types of floods has been used: floodings from national water systems into outer dike areas (type A), floodings from national water systems into inner dike areas (type B).[8] The corresponding annual return periods are:

- Scenario A: 1/100, and 1/10
- Scenario B: 1/1.000, and 1/100

By means of a Geographic Information System (GIS) the flood depth values from these scenarios were mapped to physical asset locations.

Determining corresponding flood damage

The SSM2017 (standard method Damage and Victims Module) flood damage model as developed by Deltares has been used. This model's damage functions denotes the flood damage that would occur (per m2) to an asset (building) that occurs at specific water depths. The damage is estimated by means of a damage factor that captures the relationship between flood depth and damage with respect to a maximum damage amount. These functions are based on historic flood damage data and specific to the flood type (type A and B), and building type. The building types used are residential building, commercial building with a healthcare function, and commercial

[8] https://basisinformatie-overstromingen.nl

building with an educational function. Additionally, only the functions for direct flood damage have been used (omitting indirect damage due to business disruption). Lastly, buildings with a residential function have functions specific to the floor level. As this information is not yet available, it is assumed all buildings are at groundlevel.

Thus, this model estimates the damage amounts at the building level. The standard formula for the damage calculations is:

$$S = \sum_{i=1}^{n} a_i n_i s_i$$

Where:
- a = the damage factor
- n = the number of units (building area size in M2)
- S = the maximum damage amount (maximum damage per m2 of a building)
- i = the damage category

In order to select to correct function, building purpose (*BAG gebruiksdoel*) have been retrieved from the *BAG register* (register for addresses and buildings). Additionally the building size (in m2) at the level of the object of residence (*BAG verblijfsobject*) was retrieved from this register. When buildings have more than one purpose, a function weighted damage calculation is made (e.g. when a building has a residential function as well as a healthcare function, the average damage amount from these two functions is calculated). Estimated flood damage has been calculated for each flood type (A and B) and their corresponding periods.

Determining sensitivity

Sensitivity is determined by relating the equity amounts of a client to the flood damage of each flood in combination with probability of occurrence of that flood. This is shown graphically in the following heatmap:

Heatmap

	Low <10% flood damage compared to equity	**Medium** >=10%, <25% flood damage compared to equity	**High** >=25% flood damage compared to equity
Certain Flood A: 1/10 yr Flood B: 1/100 yr		Sensitive	Sensitive
Likely Flood A: 1/100 yr Flood B: 1/1.000 yr			Sensitive
Unlikely Flood A: 1/1.000 yr Flood B: 1/10.000 yr			
Rare Flood A: 1/10.000 yr Flood B: 1/100.000 yr			

Method based on climate scenario threshold values

Indicator development

Indicators are formulated based on the in the RMA identified material physical climate events. The following indicators are used to measure the risks at counterparty level:

- Pile rot: asset/postal code location in a geographic area that currently has a moderate to very high exposure to pile rot;
- Wildfire: asset/postal code location within an geographic area with currently a high likelihood of wildfires;
- Flooding: asset/postal code location in geographic areas with a potential flood depth of 1 meter or higher in the current medium likelihood scenario. Please note that where no asset location is available the statutory postal code is used.

Measurement

A physical risk indicator principally consist of two components that need to be measured:

- Climate events;
- Locations

By connecting these components, the degree to which a location is exposed to physical climate events can be estimated. Connecting these data components was done by means of a Geographic Information System (GIS) as both components consist of geographically referenced information.

The location data has been improved in the sense that hospital and school building location data was collected for healthcare and education clients. For housing associations the location of their owned accommodations at the municipal level has been used. The climate scenarios are retrieved from the *Klimaat Effect Atlas* (KEA) . The scenarios have a regional scale and reflect the best publicly available data. The geographic area of these scenarios is The Netherlands. We consider this a suitable area as almost all of BNG Bank's clients are based in The Netherlands.

The following scenarios were used:

- Risk of pile rot | current situation

Scenario for the risk of pile rot at the neighborhood level estimated by combining the percentage of buildings in a neighborhood on wooden pile foundations and the vulnerability of these wooden pile foundations to damage. The latter is measured by e.g. the mean lowest groundwater level, type of subsoil and year of construction.

- Wildfires | current situation

The probability of wildfires developing in an area is based on e.g. flammable vegetation, precipitation deficit, average lowest groundwater level and soil type.

- Flood depth | medium probability

Provides the estimated maximum flood depth in an area with a probability of flooding once every 100 years.

By coupling these scenarios to the asset locations of counterparties, their exposure to chronic and acute physical climate events is estimated. As can be derived from the scenario names, the selected time horizon is 'current' with the reason being that this best fits the most recent ESG credit RMA. For housing associations the accommodation location was known at the municipal level out of prudential considerations, the maximum value was used in the municipal area for pole rot and flood depth. For wildfire the median was used because the wildfire scenario has a lot small areas with the highest value, which resulted in every municipality having this value as a maximum.

Sensitivity

Ideally, sensitivity is determined by translating the impact of the physical climate events on the counterparties to a financial value and by using that value to develop a sensitivity threshold. However, such a method is currently only in place for the risk type 'flood' and educational- and healthcare organizations. Therefore a simplification was adopted that sets a threshold at the level of the climate event. When the postal code point coordinate was used as location data, the client was deemed to be sensitive to pole rot when the value in the corresponding climate scenario value is moderate to very high, for wildfire when the value is high, and for flood depth of 1 meter of higher. Housing associations, where accommodation locations at the municipal level were used, and healthcare and educational institutions, were classified as being sensitive when 50% or more of the buildings reached these climate value thresholds. Healthcare and educational institutions have a considerably lower number of buildings, hence these clients were classified as being sensitive when one or more buildings reached these threshold values.

Please note that for housing associations the maximum climate values in municipal areas are used, therefore these clients have an overestimated physical risk score leading to a ostensible concentration of physical risk in this sector. Healthcare and educational institutions score considerably lower compared to housing associations because the maximum climate value for a relatively large (municipal) area is not used but a value at the coordinates of an address. By setting the threshold at 50% of the buildings in a physical risk sensitive area, for these clients physical risk is likely underestimated. In addition, the method to determine sensitivity, including the calibration of threshold values, are still under development.

Method and sourcing overview

In the below table an overview is provided for the different developed methodologies and which resources were used:

Sector	Hazard		Exposure	Vulnerability	Sensitivity
Healthcare & Educational institutions	Flood	LIWO Maximum flood depth: - Flood type A: return period 1/10 & 1/100 - Flood type B: return period 1/100, 1/1.000	Building locations & floor area	Depth-Damage Functions SSM1017	*Flood type A:* Flood probability = 1/10 and damage relative to equity >=10% OR *Flood type A:* Probability 1/100: damage relative to equity >=25% OR *Flood type B:* Probability 1/00: damage relative to equity >=10% OR *Flood type B:* Flood probability 1/1.000: damage relative to equity >=25%
	Wild fire	Climate Impact Atlas (Wildfires - current situation)	Building locations	N/A	>=50% of buildings score 'high'
	Pile rot	Climate Impact Atlas (Risk pile rot - current situation)		N/A	>=50% of buildings score => 'modarate'
Housing associations	Flood	LIWO Maximum flood depth (general map, return period 1/100)	Accommodations at the municipal level	N/A	>=50% of dwellings score >=.1m (maximum value in municipal area is used)
	Wild fire	Climate Impact Atlas (Wildfires - current situation)			>=50% of dwellings score 'high' (maximum value in municipal area is used)
	Pile rot	Climate Impact Atlas (Risk pile rot – current situation)			>=50% of buildings score => 'modarate' (maximum value in municipal area is used)

Sector	**Hazard**		**Exposure**	**Vulnerability**	**Sensitivity**
Other	Flood	LIWO Maximum flood depth (general map, return period 1/100)	Statutory postal code	N/A	Flood depth >=1m
	Wild fire	Climate Impact Atlas (Wildfires - current situation)			Wild fire risk = high
	Pile rot	Climate Impact Atlas (Risk pile rot – current situation)			Pole rot risk >= moderate

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	0
	31-12-2023	**Gross carrying amount/nominal amount (in million EUR)**													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket				**Average weighted maturity**	**of which exposures sensitive to impact from chronic climate change events**	**of which exposures sensitive to impact from acute climate change events**	**of which exposures sensitive to impact both from chronic and acute climate change events**	**Of which Stage 2 exposures**	**Of which non-performing exposures**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
	Total		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years								Of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	9	-	-	-	-	-	-	-	-	-	-	-	-	-
4	D - Electricity, gas, steam and air conditioning supply	785	2	8	0	-	0	-	11	-	-	-	-5	-1	-4
5	E - Water supply; sewerage, waste management and remediation activities	640	4	19	1	-	0	13	12	-	-	-	0	0	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	0
6	F - Construction	2,414	162	126	33	85	0	374	386	354	-	7	0	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	63	-	-	-	-	-	-	-	-	-	-	0	-	-
8	H - Transportation and storage	774	5	13	12	3	0	6	28	-	-	-	0	-	-
9	L - Real estate activities	45,961	4,843	7,028	8,357	15,044	0	15,581	35,178	15,487	-	-	-3	-	-3
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	4,824	144	199	237	366	0	377	864	360	88	56	-39	-8	-29

The exposures reported in this template include loans and advances, debt securities and equity instruments in the banking book of BNG Bank toward non-financial corporates in the Netherlands that are exposed to potential chronic and / or acute physical climate-related risks. BNG Bank does not have any significant exposures in other geographical areas.

Template 6 - Summary of GAR KPIs

31-12-2023		a	b	c	d
			KPI		
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
1	GAR stock	0.26%	-	0.26%	12%
2	GAR flow	-	-	-	-
	- % of assets covered by the KPI over banks´ total assets				

Template 7 - Mitigating actions: Assets for the calculation of GAR

As per 2024, BNG Bank is required to disclose the Green Asset Ratio (GAR) over 2023. The GAR is based on eligible and alligned assets on the balance sheet. The criteria of qualifing assets is stated in EU Taxonomy. The amount of covered assets under GAR is relatively low for BNG Bank due to the nature of the Banks' portfolio.

For the template below, the following assumptions has been made:
- Financial corporations mainly consists of collateralised loans which are not eligible or aligned;
- Exposure to Households is reclassified to 'non-financial corporates'. This because items under households mainly consists of exposures to local foundations such as sport clubs, cultural institutions and other social initiatives. It is not expected that these transactions will be Taxonomy eligble or aligned.
- Because the use of proceeds is unknown, exposures to local governments (Gemeenten) are stated under 'Sovereigns' and excluded from both the numerator and denominator of the GAR. This in line with the draft commission notice of 23 December 2023. Although this notice refers to the annual report, for the sake of consistency, we have also applied it to this template.

31-12-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	(in million EUR)	Total gross carrying amount		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	14,365	5,871	195	-	-	-	-	-	-	-	-	5,871	195	-	-	-
2	Financial corporations	14,365	5,871	195	-	-	-	-	-	-	-	-	5,871	195	-	-	-
3	Credit institutions	8,183	5,871	195	-	-	-	-	-	-	-	-	5,871	195	-	-	-
4	Loans and advances	4,868	4,252	116	-	-	-	-	-	-	-	-	4,252	116	-	-	-
5	Debt securities, including UoP	3,314	1,619	79	-	-	-	-	-	-	-	-	1,619	79	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
7	Other financial corporations	6,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
24	Households	-	-	-	-	-	-						-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-						-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-						-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-						-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31-12-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**TOTAL GAR ASSETS**	**14,365**	**5,871**	**195**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,871**	**195**	**-**	**-**	**-**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	60,501															
34	Loans and advances	60,300															
35	Debt securities	201															
36	Equity instruments	-															
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	1,012															
38	Loans and advances	53															
39	Debt securities	959															
40	Equity instruments	-															
41	Derivatives	3,011															
42	On demand interbank loans	2															
43	Cash and cash-related assets	0															
44	Other assets (e.g. Goodwill, commodities etc.)	(4,923)															
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	73,969															
	Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	40,044															
47	Central banks exposure	1,617															
48	Trading book	-															
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**41,662**															
50	**TOTAL ASSETS**	**115,631**															

Template 8 - GAR (%)

KPIs on stock

31-12-2023	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1 **GAR - Covered assets in both numerator and denominator**	**41%**	**0.26%**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**41%**	**0.26%**	**0**	**0**	**0**	**12%**
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	41%	1.36%	0%	0%	0%	-	-	-	-	-	41%	1.36%	0	0	0	12%
3 **Financial corporations**	41%	2.38%	0%	0%	0%	-	-	-	-	-	41%	2.38%	0	0	0	12%
4 Credit institutions	72%	2.38%	0%	0%	0%	-	-	-	-	-	72%	2.38%	0	0	0	7%
5 Other financial corporations	0%	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-
6 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 **Non-financial corporations (subject to NFRD disclosure obligations)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 **Households**	-	-	-	-	-						-	-	-	-	-	0%
11 of which loans collateralised by residential immovable property	-	-	-	-	-						-	-	-	-	-	0%
12 of which building renovation loans	-	-	-	-	-						-	-	-	-	-	0%
13 of which motor vehicle loans	-	-	-	-	-						-	-	-	-	-	0%
14 **Local government financing**	-	-	-	-	-						-	-	-	-	-	0%

KPIs on flows

31-12-2023	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total assets covered
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1 **GAR - Covered assets in both numerator and denominator**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 **Financial corporations**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 **Non-financial corporations (subject to NFRD disclosure obligations)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 **Households**	-	-	-	-	-						-	-	-	-	-	-
11 of which loans collateralised by residential immovable property	-	-	-	-	-						-	-	-	-	-	-
12 of which building renovation loans	-	-	-	-	-						-	-	-	-	-	-
13 of which motor vehicle loans	-	-	-	-	-						-	-	-	-	-	-
14 **Local government financing**	-	-	-	-	-						-	-	-	-	-	-

31-12-2023	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
15 Housing financing	-	-	-	-	-						-	-	-	-	-	0%	-	-	-	-	-						-	-	-	-	-	-
16 Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-						-	-	-	-	-	0%	-	-	-	-	-						-	-	-	-	-	-

Template 10 - Other climate change mitigating actions

The portfolio of BNG Bank does not contain financial instruments that serve to mitigate climate risk (transition risk or physical risk) that are not covered by the EU Taxonomy Regulation. Therefore, this template is not applicable to BNG Bank.

BNG Bank

Bordewijklaan 18
2591 XR Den Haag
Postbus 30305
2500 GH Den Haag
T 070 3750 750
communicatie@bngbank.nl

Colophon

Editorial: BNG Bank
Design- and publication software: Tangelo Software B.V.
Design: Public Cinema
Photography: Carla Kogelman, Lambert de Jong

June 2024