PILLAR 3 INTERIM

2023

Disclosure report

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PILLAR 3 INTERIM DISCLOSURE REPORT
BNG BANK JUNE 2023

INTRODUCTION 5

MANAGEMENT STATEMENT 6

KEY METRICS AND OVERVIEW OF RWEA (ARTICLE 437 AND 438 CRR) 7
- Key metrics template (EU KM1) 7
- Overview of risk-weighted exposure amounts (EU OV1) 9

OWN FUNDS (ARTICLE 437 CRR) 11
- Composition of regulatory own funds (EU CC1) 11
- Reconciliation of regulatory own funds to balance sheet in the financial statements (EU CC2) 15

COUNTERCYCLYCAL CAPITAL BUFFER (ARTICLE 440 CRR) 16
- Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (EU CCyB1) 16
- Amount of institution-specific countercyclical capital buffer (EU CCyB2) 17

LEVERAGE RATIO (ARTICLE 451 CRR) 18
- LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (EU LR1) 18
- LRCom: Leverage ratio common disclosure (EU LR2) 19
- LRSpl: Split-up of on balance sheet exposures (EU LR3) 22

LIQUIDITY REQUIREMENTS (ARTICLES 435 AND 451A CRR) 23
- Quantitative information of LCR (EU LIQ1) 23
- Net Stable Funding Ratio (EU LIQ2) 25

CREDIT QUALITY (ARTICLE 442 CRR) 30
- Credit quality of forbone exposures (EU CQ1) 31
- Quality of non-performing exposures by geography (EU CQ4) 32
- Credit quality of loans and advances to non-financial corporations by industry (EU CQ5) 33
- Collateral obtained by taking possession and execution processes (EU CQ7) 35

CREDIT RISK (ARTICLES 442, 444 AND 453 CCR) 36
- Performing and non-performing exposures and related provisions (EU CR1) 36
- Maturity of exposures (EU CR1-A) 38
- CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (EU CR3) 39
- Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects (EU CR4) 40
- Standardised approach (EU CR5) 42

COUNTERPARTY CREDIT RISK (ARTICLE 439 CRR) 44

- Analysis of the counterparty credit risk (CCR) exposure by approach (EU CCR1) 44
- Transactions subject to own funds requirements for credit valuation adjustment (CVA) risk (EU CCR2) 46
- Standardised approach – CCR exposures by regulatory exposure class and risk weights (EU CCR3) 47
- Composition of collateral for counterparty credit risk (EU CCR5) 48
- Exposures to central counterparties (EU CCR8) 49

EXPOSURES TO SECURITISATION POSITIONS (ARTICLE 449 CRR) 50

- Securitisation exposures in the non-trading book (EU SEC1) 50
- Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor (EU SEC4) 51

MARKET RISK (ARTICLE 445 CRR) 52

- Market risk under the standardised approach (EU MR1) 52
- Qualitative information on interest rate risks of non-trading book activities 52
- Interest rate risks of non-trading book activities (EU IRRBB1) 53

ESG RISKS (ARTICLE 449A CRR) 54

- ESG at BNG Bank 54
- Template 1: Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity 56
- Template 2: Banking book – climate change transition risk: loans collateralised by immovable property – energy efficiency of the collateral 67
- Template 4: Exposures in the banking book to the top 20 carbon-intensive firms in the world 68
- Template 5: Banking book – climate change physical risk: exposures subject to physical risk 69
- Template 10: Other climate change mitigating actions 74

INTRODUCTION

This Pillar III Interim Disclosure Report 2023 of BNG Bank N.V. has been prepared in line with Part Eight of the Capital Requirements Regulations (EU No 575/2013).

The scope of this Report includes BNG Bank's two wholly-owned subsidiaries *BNG Gebiedsontwikkeling B.V.* and *Hypotheekfonds voor Overheidspersoneel B.V.*[1]. This report is presented in euros (EUR) which is the functional and reporting currency of BNG Bank. All amounts are stated in millions of euros, unless stated otherwise. Certain figures in the report may not tally exactly as a result of rounding. Where disclosures have been further improved, we do not restate prior year comparatives, unless stated otherwise.

In accordance with Article 432 of the CRR, BNG Bank may omit one of more or 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 publishes an interim report and an annual report on its website following the regular disclosure scheme of the bank. The disclosures also include mandatory quarterly information. The information of this interim Pillar III report has not been audited.

The templates in Table 1 have been identified as not applicable to BNG Bank and are therefore not included in this report.

Table 1 – Omitted templates and rationale for exclusion

Reference templates	Rationale for exclusion
EU CQ2, EU CQ4 (columns b, c, d& e), EU CQ5 (colums b & d) EU CQ6, EU CQ8	The non-performing exposure (NPE) ratio of BNG Bank is not equal to or higher than 5%. . In addition, non domestic exposures in relation to total exposures is not equal to or higher than 10%.
EU CR2 and EU CR2A	The NPE ratio of BNG Bank is not equal to or higher than 5%.
EU CR6, EU CR7, EU CR7-A, EU CR8, EU CR10	BNG Bank does not apply IRB approach.
EU MR2-A, EU MR2-B, EU MR3, EU MR4	BNG Bank has not adopted the Internal Model Approach (IMA).
EU CCR4	BNG Bank does not apply IRB approach.
EU CCR6	BNG Bank does not have credit derivative exposure.
EU CCR7	BNG Bank does not apply IRB approach.
EU SEC2	BNG Bank does not have a trading book.
EU SEC3, EU SEC5	BNG Bank has not acted as an originator or sponsor in transactions with securitisation exposures. BNG Bank only acts as an investor in securitisation transactions.
EU KM2, EU TLAC1, EU TLAC2, EU TLAC3, EU iLAC	BNG Bank is not classified as G-SIIs.
ESG Template 2	BNG Bank does not have exposure to loans collateralised by immovable property.
ESG Template 4	BNG Bank does not have exposure to the list of top 20 carbon-intensive firms.

[1] On 12 December 2022, the portfolio of Hypotheekfonds voor Overheidspersonnel B.V. was sold to National Nederlanden Bank N.V.. Hypotheekfonds voor Overheidspersoneel B.V. will be liquidated.

MANAGEMENT STATEMENT

We confirm that the Pillar 3 interim disclosure report 2023 has been prepared in accordance with the internal policies as they have been agreed upon within BNG Bank. This 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 30 June 2023.

The Pillar 3 interim disclosure report was approved by the Executive Committee on 31 October 2023.

Members of the Executive Committee
- Gita Salden (Chief Executive Officer), statutory director
- Olivier Labe (Chief Financial Officer), statutory director
- Cindy van Atteveldt-Machielsen (Chief Risk Officer), statutory director
- Jaco van Goudswaard (Chief Operating Officer)

KEY METRICS AND OVERVIEW OF RWEA (ARTICLE 437 AND 438 CRR)

Key metrics template (EU KM1)

	30-6-2023	31-3-2023	31-12-2022[1]	30-9-2022	30-6-2022
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	4,104	4,116	3,965	3,966	4,013
Tier 1 capital	4,413	4,425	4,274	4,275	4,322
Total capital	4,413	4,425	4,274	4,275	4,322
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	10,652	10,778	11,403	10,679	10,909
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	38.53%	38.19%	34.77%	37.14%	36.78%
Tier 1 ratio (%)	41.43%	41.06%	37.48%	40.04%	39.62%
Total capital ratio (%)	41.43%	41.06%	37.48%	40.04%	39.62%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.75%	1.75%	2.00%	2.00%	2.00%
- of which: to be made up of CET1 capital (percentage points)	0.98%	0.98%	1.13%	1.13%	1.13%
- of which: to be made up of Tier 1 capital (percentage points)	1.31%	1.31%	1.50%	1.50%	1.50%
Total SREP own funds requirements (%)	9.75%	9.75%	10.00%	10.00%	10.00%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
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%
Institution specific countercyclical capital buffer (%)	0.96%	0.08%	0.00%	0.00%	0.00%
Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
Combined buffer requirement (%)	4.46%	3.58%	3.50%	3.50%	3.50%
Overall capital requirements (%)	14.21%	13.33%	13.57%	13.50%	13.50%
CET1 available after meeting the total SREP own funds requirements (%)	31.68%	31.31%	26.89%	30.04%	29.62%
Leverage ratio					
Total exposure measure	49,532	65,265	32,920	72,622	52,387
Leverage ratio	8.91%	6.78%	12.98%	5.89%	8.25%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
- of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
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)					
Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value - average)	32,222	44,388	15,402	51,874	32,468
Cash outflows - Total weighted value	19,877	31,377	9,036	28,909	15,110

	30-6-2023	31-3-2023	31-12-2022[1]	30-9-2022	30-6-2022
Cash inflows - Total weighted value	1,844	2,953	980	3,995	1,954
Total net cash outflows (adjusted value)	18,033	28,424	8,055	24,913	13,156
Liquidity coverage ratio (%)	171.38%	181.13%	182.99%	208.22%	176.65%
Net Stable Funding Ratio					
Total available stable funding	88,878	91,754	87,938	97,267	102,920
Total required stable funding	70,351	70,683	70,268	78,712	81,856
NSFR ratio (%)	126.33%	129.81%	125.15%	123.57%	125.73%

1 The 'overall capital requirement' and 'Additional own funds requirements to address the risk of excessive leverage (%)' are adjusted following the adjustment of COREP 31-12-2022.

Overview of risk-weighted exposure amounts (EU OV1)

	Risk weighted exposure amounts (RWEAs)					Total own funds requirements				
	30-6-2023	31-3-2023	31-12-2022	30-9-2022	30-6-2022	30-6-2023	31-3-2023	31-12-2022	30-9-2022	30-6-2022
Credit risk (excluding CCR)	7,241	7,094	7,203	7,263	7,799	579	568	576	581	624
- Of which the standardised approach	7,241	7,094	7,203	7,263	7,799	579	568	576	581	624
- Of which the foundation IRB (FIRB) approach	-	-	-	0	-	-	-	-	-	-
- Of which: slotting approach	-	-	-	-	-	-	-	-	-	-
- Of which: equities under the simple riskweighted approach	-	-	-	-	-	-	-	-	-	-
- Of which the advanced IRB (AIRB) approach	-	-	-	-	-	-	-	-	-	-
Counterparty credit risk - CCR	1,753	2,020	2,522	1,686	1,521	140	162	202	135	122
- Of which the standardised approach	744	925	1,083	779	840	60	74	87	62	67
- Of which internal model method (IMM)	-	-	-	-	-	-	-	-	-	-
- Of which exposures to a CCP	8	10	12	8	10	1	1	1	1	1
- Of which credit valuation adjustment - CVA	973	1,041	1,410	844	658	78	83	113	68	53
- Of which other CCR	29	44	17	54	14	2	3	1	4	1
Settlement risk	-	-	-	-	-	-	-	-	-	-
Securitisation exposures in the non-trading book (after the cap)	746	752	767	732	746	60	60	61	59	60
- Of which SEC-IRBA approach	-	-	-	-	-	-	-	-	-	-
- Of which SEC-ERBA (including IAA)	746	752	767	732	746	60	60	61	59	60
- Of which SEC-SA approach	-	-	-	-	-	-	-	-	-	-
- Of which 1250%/ deduction	-	-	-	-	-	-	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	-	-	-	153	-	-	-	-	12	-
- Of which the standardised approach	-	-	-	153	-	-	-	-	12	-
- Of which IMA	-	-	-	-	-	-	-	-	-	-
Large exposures	-	-	-	-	-	-	-	-	-	-
Operational risk	912	912	912	843	843	73	73	73	67	67
- Of which basic indicator approach	-	-	-	-	-	-	-	-	-	-

	Risk weighted exposure amounts (RWEAs)					Total own funds requirements				
	30-6-2023	31-3-2023	31-12-2022	30-9-2022	30-6-2022	30-6-2023	31-3-2023	31-12-2022	30-9-2022	30-6-2022
- Of which standardised approach	912	912	912	843	843	73	73	73	67	67
- Of which advanced measurement approach	-	-	-	-	-	-	-	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**10,652**	**10,778**	**11,403**	**10,679**	**10,909**	**852**	**862**	**912**	**854**	**873**

OWN FUNDS (ARTICLE 437 CRR)

Composition of regulatory own funds (EU CC1)

	Common Equity Tier 1 (CET1) capital: instruments and reserves	30-6-2023	31-12-2022
1	Capital instruments and the related share premium accounts	**146**	**146**
	of which: Instrument type 1	*146*	*146*
	of which: Instrument type 2	-	-
	of which: Instrument type 3	-	-
2	Retained earnings	3,971	3,824
3	Accumulated other comprehensive income (and other reserves)	22	37
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**	**4,139**	**4,006**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-10	-9
8	Intangible assets (net of related tax liability) (negative amount)	**-**	**-**
9	Empty set in the EU	-	-
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	-8	-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	-1	-2
15	Defined-benefit pension fund assets (negative amount)	-	-
16	Direct and indirect 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)	-	-
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	Empty set in the EU	-	-
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-

	Common Equity Tier 1 (CET1) capital: instruments and reserves	30-6-2023	31-12-2022
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	Empty set in the EU	-	-
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	Empty set in the EU	-	-
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments *(including IFRS 9 transitional adjustments when relevant)*	-16	-16
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-35**	**-41**
29	**Common Equity Tier 1 (CET1) capital**	**4,104**	**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*
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 and indirect 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)	-	-
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	Empty set in the EU	-	-
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-

Common Equity Tier 1 (CET1) capital: instruments and reserves		30-6-2023	31-12-2022
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)**	**4,414**	**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 and indirect 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 and indirect 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	Empty set in the EU	-	-
55	Direct and indirect 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)**	**4,414**	**4,274**
60	**Total risk exposure amount**	**10,652**	**11,403**
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	38.53%	34.77%
62	Tier 1 (as a percentage of total risk exposure amount)	41.43%	37.48%
63	Total capital (as a percentage of total risk exposure amount)	41.43%	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)	9.94%	9.20%

Common Equity Tier 1 (CET1) capital: instruments and reserves		30-6-2023	31-12-2022
65	*of which: capital conservation buffer requirement*	2.50%	2.50%
66	*of which: countercyclical buffer requirement*	0.96%	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)**	31.68%	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	100	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	-	-

Reconciliation of regulatory own funds to balance sheet in the financial statements (EU CC2)

	Carrying values as reported in published financial statements and for regulatory consolidation	
	30-6-2023	31-12-2022
Assets		
Cash and balances with the central bank	20,668	6,821
Amounts due from banks	409	346
Cash collateral posted	4,092	4,144
Financial assets at fair value through the income statement	892	901
Derivatives	3,012	3,737
Financial assets at fair value through other comprehensive income	9,074	7,398
Interest-bearing securities at amortised cost	8,774	7,636
Loans and advances	89,546	89,624
Value adjustments on loans involved in portfolio hedge accounting	-8,286	-8,679
Associates and joint ventures	23	24
Property and equipment	13	13
Current tax assets	2	-
Other assets	99	109
Total assets	**128,318**	**112,074**
Liabilities		
Amounts due to banks	2,780	4,012
Cash collateral received	874	1,173
Financial liabilities at fair value through the income statement	184	185
Derivatives	6,332	6,129
Debt securities issued	107,657	90,774
Funds entrusted	5,626	4,785
Subordinated debts	18	38
Current tax assets	-	11
Deferred tax liabilities	7	14
Other liabilities	250	338
Total Liabilities	**123,728**	**107,459**
Equity		
Share capital	139	139
Share premium reserve	6	6
Retained earnings	3,972	3,824
Revaluation reserve	23	4
Cash flow hedge reserve	8	14
Own credit adjustment	1	2
Cost of hedging reserve	-9	17
Net profit	141	300
Equity attributable to shareholders	**4,281**	**4,306**
Additional tier 1 capital	309	309
Total equity	**4,590**	**4,615**
Total liabilities and equity	**128,318**	**112,074**

COUNTERCYCLYCAL CAPITAL BUFFER (ARTICLE 440 CRR)

Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (EU CCyB1)

30-6-2023	General credit exposures	Relevant credit exposures - market risk	Securiti-sation exposure	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Own funds require-ments weight (%)	Counter cyclical buffer rate (%)
	Exposure value SA	Sum of long and short positions of trading book exposures for SA	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	175	-	16	**191**	14	-	0	**14**	**174**	2.18%	0.00%
Germany	129	-	-	**129**	7	-	-	**7**	**82**	1.02%	0.75%
Spain	-	-	161	**161**	-	-	5	**5**	**60**	0.75%	0.00%
France	427	-	267	**694**	5	-	2	**7**	**85**	1.06%	0.50%
Great Britain	1,248	-	-	**1,248**	45	-	-	**45**	**569**	7.10%	1.00%
Ireland	43	-	-	**43**	3	-	-	**3**	**43**	0.54%	0.50%
Italy	-	-	61	**61**	-	-	1	**1**	**12**	0.15%	0.00%
Netherlands	8,785	-	4,915	**13,700**	507	-	51	**558**	**6,970**	87.00%	1.00%
Portugal	-	-	33	**33**	-	-	1	**1**	**16**	0.20%	0.00%
United States	-	-	-	**-**	0	-	-	**-**	**-**	0.00%	0.00%
Total	**10,807**	**-**	**5,453**	**16,260**	**581**	**-**	**60**	**641**	**8,012**	**100.00%**	

31-12-2022	General credit exposures	Relevant credit exposures - market risk	Securiti-sation exposure	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Own funds require-ments weight (%)	Counter cyclical buffer rate (%)
	Exposure value SA	Sum of long and short positions of trading book exposures for SA	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%**	

Amount of institution-specific countercyclical capital buffer (EU CCyB2)

Amount of institution-specific countercyclical capital buffer	30-6-2023	31-12-2022
Total risk exposure amount	10,652	11,403
Institution specific countercyclical buffer rate	0.96%	0.07%
Institution specific countercyclical buffer requirement	102	8

LEVERAGE RATIO (ARTICLE 451 CRR)

LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (EU LR1)

		30-6-2023	31-12-2022
1	Total assets as per published financial statements	128,318	112,074
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-	-
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)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	-919	-1,391
9	Adjustments for securities financing transactions "SFTs"	3	24
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,172	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)	-	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-	-
12	Other adjustments	-80,042	-79,938
13	**Total leverage ratio exposure**	**49,532**	**32,920**

LRCom: Leverage ratio common disclosure (EU LR2)

		CRR Leverage ratio exposures	
		30-6-2023	31-12-2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	133,586	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)	-4,086	-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)	-21	-41
7	**Total on-balance sheet exposures (excluding derivatives, SFTs)**	**129,479**	**112,831**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	239	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	1,855	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	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
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)	-	-
11	**Total derivative exposures**	**2,094**	**2,346**
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,269	919
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-1,264	-836
16	Counterparty credit risk exposure for SFT assets	3	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**	**8**	**87**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	12,117	11,164
20	(Adjustments for conversion to credit equivalent amounts)	-9,945	-9,013

		CRR Leverage ratio exposures	
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**2,172**	**2,151**
Excluded exposures			
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 - Public sector investments	-	-
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-84,221	-84,495
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
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)**	**-84,221**	**-84,495**
Capital and total exposures			
23	Tier 1 capital	4,413	4,274
24	Leverage ratio total exposure measure	49,532	32,920
Leverage ratio			
25	Leverage ratio	8.91%	12.98%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	3.30%	3.64%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.91%	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 (percentage points)	0.00%	0.00%
EU-27	Required leverage buffer (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%

		CRR Leverage ratio exposures	
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	162	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	5	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)	49,688	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)	49,688	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)	8.88%	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)	8.88%	12.96%

LRSpl: Split-up of on balance sheet exposures (EU LR3)

		CRR Leverage ratio exposures	
		30-6-2023	31-12-2022
On-balance sheet exposures (excluding derivatives and SFTs)			
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**45,279**	**28,377**
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	45,279	28,377
EU-4	Covered bonds	2,347	1,688
EU-5	Exposures treated as sovereigns	28,770	13,127
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	54	33
EU-7	Institutions	506	461
EU-8	Secured by mortgages of immovable properties	-	-
EU-9	Retail exposures	-	-
EU-10	Corporate	7,417	6,839
EU-11	Exposures in default	612	720
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5,573	5,510

LIQUIDITY REQUIREMENTS (ARTICLES 435 AND 451A CRR)

Quantitative information of LCR (EU LIQ1)

	Scope of consolidation (consolidated)	Total unweighted value					Total weighted value				
	Currency and units (EUR million)	**30-6-2023**	**31-3-2023**	**31-12-2022**	**30-9-2022**	**30-6-2023**	**30-6-2023**	**31-3-2023**	**31-12-2022**	**30-9-2022**	**30-6-2023**
	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)						44,170	44,437	42,792	39,170	33,797
	Cash-outflows	-	-	-	-	-	-	-	-	-	
2	**Retail deposits and deposits from small business customers, of which:**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	- Stable deposits	-	-	-	-	-	-	-	-	-	-
4	- Less stable deposits	-	-	-	-	-	-	-	-	-	-
5	**Unsecured wholesale funding**	**25,321**	**23,881**	**21,495**	**19,334**	**16,211**	**22,546**	**21,194**	**18,987**	**17,029**	**14,116**
6	- Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-	-	-
7	- Non-operational deposits (all counterparties)	6,450	6,283	6,130	5,850	5,813	3,675	3,595	3,622	3,546	3,718
8	- Unsecured debt	18,871	17,599	15,365	13,484	10,398	18,871	17,599	15,365	13,484	10,398
9	**Secured wholesale funding**						**253**	**762**	**1,359**	**1,359**	**1,250**
10	**Additional requirements**	**7,576**	**7,410**	**7,784**	**9,427**	**11,638**	**4,948**	**4,918**	**5,391**	**6,026**	**6,714**
11	- Outflows related to derivative exposures and other collateral requirements	5,540	5,371	5,741	6,063	6,384	4,747	4,715	5,188	5,669	6,132
12	- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
13	- Credit and liquidity facilities	2,036	2,040	2,043	3,363	5,254	201	203	203	357	582
14	**Other contractual funding obligations**	**710**	**719**	**882**	**792**	**607**	**694**	**705**	**871**	**788**	**607**
15	**Other contingent funding obligations**	**6,356**	**6,577**	**6,515**	**5,448**	**4,086**	**615**	**636**	**631**	**523**	**378**
16	**Total cash outflows**						**29,056**	**28,214**	**27,238**	**25,726**	**23,065**

	Scope of consolidation (consolidated)	Total unweighted value					Total weighted value				
	Cash-inflows										
17	Secured lending (eg reverse repos)	1,020	510	247	218	158	138	124	167	167	46
18	Inflows from fully performing exposures	1,506	1,627	1,781	1,977	2,234	850	911	990	1,086	1,216
19	Other cash inflows	1,986	1,964	2,260	2,418	2,322	1,986	1,965	2,260	2,418	2,322
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**	**4,512**	**4,101**	**4,289**	**4,613**	**4,722**	**2,975**	**3,000**	**3,418**	**3,671**	**3,653**
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	3,631	3,715	4,209	4,562	4,670	2,975	3,000	3,418	39,170	3,653
21	**Liquidity buffer**						**44,152**	**44,420**	**42,774**	**39,170**	**33,772**
22	**Total net cash outflows**						**26,082**	**25,215**	**23,820**	**22,055**	**19,410**
23	**Liquidity coverage ratio (%)**						**171%**	**181%**	**183%**	**179%**	**157%**

The table above provides an overview of the LCR during the first half of 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. As of the end of June 2023 the LCR ratio amounted to 179% (31-12-2022: 189%), the NSFR ratio amounted to 126% (31-12-2022: 125%).

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 interest and nominal payments related to loans and advances, and investments in securities. The figures in LCR are steady for over a year and there are no significant changes.

The majority of funding is acquired from international capital markets. BNG Bank distinguishes between short-term and long-term funding (cut-off point: 1 year). The bank maintains different issuance programmes that enable it to have access to funding at competitive levels. Likewise, the bank has an active investor relation strategy in order to increase diversification and availablity of funding. The Bank issues debt securities in various currencies; EUR and USD being the most important ones.

The liquidy buffer is composed of cash and high-quality securities, mainly Level 1 in EUR.

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

Net Stable Funding Ratio (EU LIQ2)

30-6-2023		Unweighted value by residual maturity No maturity	< 6 months	6 months to < 1 year	≥ 1year	Weighted value
1	Capital items and instruments	4,104	-	309	-	4,104
2	*- Own funds*	*4,104*	-	*309*	-	*4,104*
3	*- Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*- Stable deposits*		-	-	-	-
6	*- Less stable deposits*		-	-	-	-
7	Wholesale funding:		29,236	10,520	77,898	84,774
8	*- Operational deposits*		-	-	-	-
9	*- Other wholesale funding*		*29,236*	*10,520*	*77,898*	*84,774*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	681	-	-	-
12	*- NSFR derivative liabilities*	-				
13	*- All other liabilities and capital instruments not included in the above categories*		*681*	-	-	-
14	**Total available stable funding (ASF)**					**88,878**

30-6-2023		Unweighted value by residual maturity No maturity	< 6 months	6 months to < 1 year	≥ 1year	Weighted value
15	Total high-quality liquid assets (HQLA)					1,331
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:		7,876	4,543	82,118	70,603
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*		*878*	*570*	*1,265*	*1601*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*6,360*	*3,834*	*78,976*	*67,012*
21	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*2,511*	*1,504*	*30,117*	*22,393*
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*		-	-	-	-

30-6-2023

		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*		*638*	*139*	*1,877*	*1,989*
25	Interdependent assets					
26	Other assets:		-3,201	-	2,279	-1,684
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	*2,279*	*1,937*
29	*NSFR derivative assets*		-			-
30	*NSFR derivative liabilities before deduction of variation margin posted*		*4,226*			*211*
31	*All other assets not included in the above categories*		*-7,427*	-	-	*-3,833*
32	Off-balance sheet items		63	33	1,927	101
33	**Total RSF**					**70,351**
34	**Net Stable Funding Ratio (%)**					**126.33%**

31-3-2023

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,116	309	-	-	4,116
2	*- Own funds*	*4,116*	*309*	-	-	*4,116*
3	*- Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*- Stable deposits*		-	-	-	-
6	*- Less stable deposits*		-	-	-	-
7	Wholesale funding:		44,262	7,548	81,235	87,638
8	*- Operational deposits*		-	-	-	-
9	*- Other wholesale funding*		*44,262*	*7,548*	*81,235*	*87,638*
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	710	-	0	-
12	*- NSFR derivative liabilities*	-				
13	*- All other liabilities and capital instruments not included in the above categories*		*710*	-	*0*	-
14	**Total available stable funding (ASF)**					**91,754**

31-3-2023		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					1,168
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:		7,529	5,213	80,624	70,159
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*		*1,261*	*38*	*981*	*1076*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*6,223*	*4,515*	*77,829*	*67,184*
21	*- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*2,963*	*1,730*	*30,499*	*23,921*
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*		*44*	*660*	*1,814*	*1,899*
25	Interdependent assets		-	-	-	-
26	Other assets:		33,525	58	2,893	-756
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*		*4,091*			*205*
31	*All other assets not included in the above categories*		*29,434*	*58*	*484*	*-3,009*
32	Off-balance sheet items		32	53	2,010	113
33	**Total RSF**					**70,683**
34	**Net Stable Funding Ratio (%)**					**129.81%**

31-12-2022		Unweighted value by residual maturity No maturity	< 6 months	6 months to < 1 year	≥ 1year	Weighted value
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 No maturity	< 6 months	6 months to < 1 year	≥ 1year	Weighted value
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		-	-	-	-

31-12-2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
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 QUALITY (ARTICLE 442 CRR)

Credit quality of forbone exposures (EU CQ1)

30-6-2023	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				
Cash balances at central banks and other demand deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**184**	**184**	**184**	**184**	**-5**	**-48**	**237**	**113**
of which:								
- Central banks	-	-	-	-	-	-	-	-
- General governments	-	-	-	-	-	-	-	-
- Credit institutions	-	-	-	-	-	-	-	-
- Other financial corporations	-	13	13	13	-	-5	8	8
- Non-financial corporations	179	171	171	171	-5	-43	223	105
- Households	6	0	0	0	-	-	6	0
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**19**	**4**	**4**	**4**	**-**	**-**	**1**	**0**
Total	**203**	**188**	**188**	**188**	**-5**	**-48**	**238**	**113**

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				
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	**129**	**234**	**234**	**234**	**-4**	**-57**	**211**	**170**
of which:								
- Central banks	-	-	-	-	-	-	-	-
- General governments	-	-	-	-	-	-	-	-
- Credit institutions	-	-	-	-	-	-	-	-
- Other financial corporations	-	11	11	11	-	-4	6	6
- Non-financial corporations	129	223	223	223	-4	-53	204	163
- Households	-	0	0	0	-	-	0	0
Debt Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loan commitments given	**22**	**13**	**13**	**13**	**-**	**-**	**4**	**4**
Total	**151**	**247**	**247**	**247**	**-4**	**-57**	**216**	**174**

Quality of non-performing exposures by geography (EU CQ4)

The tables below include the total performing and non-performing exposure amounts of the top 5 countries, all other countries are stated under 'Other countries'.

30-6-2023	Gross carrying amount/ nominal amount	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On balance sheet exposures	**112,902**		**-**
Netherlands	99,381		-
France	2,666		-
United Kingdom	1,683		-
United States	1,367		-
Germany	1,196		-
Other countries	6,609		-
Off balance sheet exposures	**12,162**	**3**	**-**
Netherlands	11,685	3	
United States	464	0	
United Kingdom	4	-	
Germany	9	-	
Other countries	-	-	
Total	**125,063**	**3**	**-**

31-12-2022	Gross carrying amount/ nominal amount	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On balance sheet exposures	**110,206**		**-**
Netherlands	98,913		-
United Kingdom	1,715		-
France	2,431		-
Belgium	1,484		-
United States	1,825		-
Other countries	3,839		-
Off balance sheet exposures	**11,164**	**3**	**-**
Netherlands	10,681	3	
United States	474	-	
United Kingdom	4	-	
Germany	4	-	
Other countries	-	-	
Total	**121,370**	**3**	**-**

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

30-6-2023	Gross carrying amount/ nominal amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted		
Agriculture, forestry and fishing	0	-	-0	-
Mining and quarrying	-	-	-	-
Manufacturing	9	-	-0	-
Electricity, gas, steam and air conditioning supply	729	41	-32	-
Water supply	1,299	-	-0	-
Construction	2,508	158	-18	-
Wholesale and retail trade	64	-	-0	-
Transport and storage	753	156	-0	-
Accommodation and food service activities	-	-	-	-
Information and communication	82	-	-1	-
Financial and insurance actvities	304	3	-0	-
Real estate activities	44,721	150	-1	-
Professional, scientific and technical activities	498	32	-30	-
Administrative and support service activities	424	2	-1	-
Public administration and defense, compulsory social security	-	-	-	-
Education	44	-	-	-
Human health services and social work activities	2,639	53	-11	-
Arts, entertainment and recreation	67	-	-0	-
Other services	248	-	-0	-
Total	**54,389**	**595**	**-94**	**-**

31-12-2022	Gross carrying amount/ nominal amount		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which: defaulted		
Agriculture, forestry and fishing	0	-	-0	-
Mining and quarrying	-	-	-	-
Manufacturing	57	48	-43	-
Electricity, gas, steam and air conditioning supply	818	33	-23	-
Water supply	1,261	-	-1	-
Construction	2,518	161	-14	-
Wholesale and retail trade	63	-	-0	-
Transport and storage	669	155	-1	-
Accommodation and food service activities	-	-	-	-
Information and communication	77	-	-0	-
Real estate activities	44,008	154	-5	-
Financial and insurance actvities	323	3	-0	-
Professional, scientific and technical activities	528	144	-33	-
Administrative and support service activities	426	2	-1	-
Public administration and defense, compulsory social security	-	-	-	-
Education	44	-	-	-
Human health services and social work activities	2,660	63	-14	-
Arts, entertainment and recreation	68	-	-0	-
Other services	262	-	-0	-
Total	**53,781**	**763**	**-136**	**-**

Collateral obtained by taking possession and execution processes (EU CQ7)

	30-6-2023		31-12-2022	
	Collateral obtained by taking possession		Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	-	-	-	-
Other than PP&E, of which:				
- Residential immovable property	-	-	-	-
- Commercial immovable property	-	-	-	-
- Movable property (auto, shipping, etc.)	-	-	-	-
- Equity and debt instruments	-	-	-	-
- Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

CREDIT RISK (ARTICLES 442, 444 AND 453 CCR)

Performing and non-performing exposures and related provisions (EU CR1)

There is no accumulated partial write-off, to increase the clarity of the tables the specific column is not included.

30-6-2023	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						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
Cash balances at central banks and other demand deposits	**20,668**	**20,668**	**-**	**-**	**-**	**-**	**-0**	**-0**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**93,726**	**91,240**	**2,221**	**701**	**-**	**701**	**-26**	**-6**	**-20**	**-89**	**-**	**-89**	**53,803**	**544**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	31,506	31,443	0	-	-	-	-1	-1	-0	-	-	-	577	-
Credit institutions	4,073	4,073	-	-	-	-	-0	-0	-	-	-	-	403	-
Other financial corporations	1,376	1,322	55	41	-	41	-0	-0	-0	-8	-	-8	414	32
Non-financial corporations	53,794	52,449	1,142	595	-	595	-20	-4	-16	-74	-	-74	49,953	481
of which SMEs	13,562	13,379	140	137	-	137	-4	-0	-4	-	-	-	13,463	137
Households	2,977	1,953	1,024	65	-	65	-5	-1	-3	-7	-	-7	2,455	30
Debt Securities	**18,477**	**17,773**	**77**	**-**	**-**	**-**	**-2**	**-2**	**-1**	**-**	**-**	**-**	**2,455**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	8,523	8,484	-	-	-	-	-0	-0	-	-	-	-	-	-
Credit institutions	3,001	2,923	-	-	-	-	-0	-0	-	-	-	-	1,952	-
Other financial corporations	5,633	5,556	77	-	-	-	-2	-1	-1	-	-	-	189	-
Non-financial corporations	1,320	810	-	-	-	-	-0	-0	-	-	-	-	314	-
Off-balance-sheet exposures	**11,884**	**11,633**	**251**	**233**	**-**	**233**	**1**	**1**	**0**	**2**	**-**	**2**	**1,715**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	3,850	3,850	-	-	-	-	0	0	-	-	-	-	75	-
Credit institutions	11	11	-	-	-	-	-	-	-	-	-	-	11	-
Other financial corporations	1,853	1,853	-	3	-	3	0	0	-	-	-	-	464	-
Non-financial corporations	5,514	5,423	90	218	-	218	1	1	0	2	-	2	1,010	-
Households	657	496	161	12	-	12	0	0	0	-	-	-	155	-
Total	**144,755**	**141,314**	**2,549**	**934**	**-**	**934**	**-30**	**-8**	**-21**	**-91**	**-**	**-91**	**57,972**	**544**

31-12-2022	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						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
Cash balances at central banks and other demand deposits	**6,824**	**6,824**	**-**	**-**	**-**	**-**	**-0**	**-0**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**93,691**	**91,373**	**2,046**	**849**	**-**	**849**	**-29**	**-8**	**-21**	**-129**	**-**	**-129**	**53,123**	**596**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	32,431	32,368	0	-	-	-	-1	-1	-0	-	-	-	578	-
Credit institutions	4,073	4,073	-	-	-	-	-0	-0	-	-	-	-	340	-
Other financial corporations	1,143	1,143	0	41	-	41	-0	-0	-	-9	-	-9	393	32
Non-financial corporations	53,018	51,755	1,055	763	-	763	-23	-6	-18	-113	-	-113	49,284	552
of which SMEs	13,323	13,262	30	264	-	264	-0	-0	-0	-13	-	-13	13,246	250
Households	3,026	2,035	992	45	-	45	-5	-1	-3	-7	-	-7	2,528	12
Debt Securities	**15,666**	**14,950**	**86**	**-**	**-**	**-**	**-2**	**-1**	**-2**	**-**	**-**	**-**	**2,106**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	6,611	6,570	-	-	-	-	-0	-0	-	-	-	-	-	-
Credit institutions	2,210	2,131	-	-	-	-	-0	-0	-	-	-	-	1,594	-
Other financial corporations	5,625	5,539	86	-	-	-	-2	-0	-2	-	-	-	193	-
Non-financial corporations	1,220	710	-	-	-	-	-0	-0	-	-	-	-	318	-
Off-balance-sheet exposures	**10,882**	**10,608**	**274**	**282**	**-**	**282**	**1**	**0**	**0**	**2**	**-**	**2**	**1,188**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	3,853	3,853	-	-	-	-	0	0	-	-	-	-	98	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1,254	1,254	-	7	-	7	0	0	-	-	-	-	474	-
Non-financial corporations	5,184	5,054	130	260	-	260	0	0	0	2	-	2	444	-
Households	590	447	144	15	-	15	0	0	0	-	-	-	172	-
Total	**127,064**	**123,756**	**2,406**	**1,131**	**-**	**1,131**	**-31**	**-8**	**-22**	**-126**	**-**	**-126**	**56,418**	**596**

Maturity of exposures (EU CR1-A)

30-6-2023	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	**Total**
Loans and advances	4,409	4,009	13,859	72,034	-	**94,311**
Debt securities	-	657	5,137	12,681	-	**18,475**
Total	**4,409**	**4,666**	**18,996**	**84,715**	**-**	**112,786**

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

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

30-6-2023	Unsecured carrying amount	Secured carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
Loans and advances	60,749	54,347	74	54,273	-
Debt Securities	16,022	2,455	-	2,455	-
Total	**76,771**	**56,802**	**74**	**56,728**	**-**
Of which non-performing exposures	67	544	-	544	-
- of which defaulted	67	544	-	-	-

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

Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects (EU CR4)

Guarantees provided by local and central governments, WSW and WfZ are an important part in the determination of the credit risk profile of BNG Bank. The tables in this chapter provide an overview of the credit risk exposure. RWA density provides a synthetic metric on the portfolio that remains after the application of CRM techniques.

30-6-2023	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
Central governments or central banks	24,242	15	74,466	1,821	-	0%
Regional governments or local authorities	30,416	3,394	33,549	1,344	18	0%
Public sector entities	3,066	437	3,221	126	377	11%
Multilateral Development Banks	202	-	203	-	-	0%
International Organisations	2,683	-	2,683	-	-	0%
Institutions	861	11	134	-	27	20%
Corporates	59,562	7,871	7,205	207	6,300	85%
Retail	-	-	-	-	-	0%
Secured by mortgages on immovable property	-	-	-	-	-	0%
Exposures in default	611	230	109	6	150	131%
Items associated with particularly high risk	-	-	-	-	-	0%
Covered bonds	2,347	-	2,347	-	234	10%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
Collective investments undertakings (CIU)	-	-	-	-	-	0%
Equity	23	-	23	-	23	100%
Other items	112	-	112	-	112	100%
Total	**124,125**	**11,958**	**124,052**	**3,504**	**7,240**	**6%**

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

Standardised approach (EU CR5)

30-6-2023	Risk weight:										Of which:
	0%	2%	10%	20%	35%	50%	100%	150%	Others	Total	unrated
Central governments or central banks	76,287	-	-	-	-	-	-	-	-	76,287	76,287
Regional governments or local authorities	34,804	-	-	89	-	-	-	-	-	34,893	34,804
Public sector entities	1,463	-	-	1,884	-	-	-	-	-	3,347	3,322
Multilateral Development Banks	202	-	-	-	-	-	-	-	-	202	202
International Organisations	2,683	-	-	-	-	-	-	-	-	2,683	2,683
Institutions	-	0	-	134	-	0	-	-	-	134	-
Corporates	-	0	-	663	-	1,177	5,560	12	-	7,412	5,272
Retail	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	44	71	-	115	115
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	2,347	-	-	-	-	-	-	2,347	-0
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
Unit or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	23	-	-	23	23
Other items	0	-	-	-	-	-	112	-	-	112	1
Total credit risk exposure	**115,439**	**0**	**2,347**	**2,770**	**-**	**1,177**	**5,739**	**83**	**-**	**127,555**	**122,709**

31-12-2022	Risk weight:										Of which:
	0%	2%	10%	20%	35%	50%	100%	150%	Others	Total	unrated
Central governments or central banks	60,886	-	-	-	-	-	-	-	-	60,886	60,886
Regional governments or local authorities	35,947	-	-	75	-	-	30	-	-	36,052	35,947
Public sector entities	1,264	-	-	1,913	-	-	-	-	-	3,177	3,177
Multilateral Development Banks	117	-	-	-	-	-	-	-	-	117	117
International Organisations	1,405	-	-	-	-	-	-	-	-	1,405	1,405
Institutions	-	0	-	83	-	0	-	-	-	83	-
Corporates	-	0	-	614	-	758	5,642	-	-	7,013	5,275
Retail	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	26	183	-	209	209
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	1,688	-	-	-	-	-	-	1,688	(0)
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
Unit or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	24	-	-	24	24
Other items	0	-	-	-	-	-	122	-	-	122	0
Total credit risk exposure	**99,619**	**0**	**1,688**	**2,685**	**-**	**758**	**5,844**	**183**	**-**	**110,776**	**107,040**

COUNTERPARTY CREDIT RISK (ARTICLE 439 CRR)

Counterparty credit risk refers to the risk that the counterparty of transaction could default before the final settlement of the transaction's cash flows. The counterparty credit risk exposure pertains to exposures arising from derivatives, repurchase transactions, securities or commodities lending or borrowing transactions, long settlement transactions and margin lending transactions.

Analysis of the counterparty credit risk (CCR) exposure by approach (EU CCR1)

30-6-2023	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 - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
SA-CCR (for derivatives)	273	1,241		1.4	2,119	2,119	2,119	752
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					4,613	106	106	28
VaR for SFTs					-	-	-	-
Total					**6,732**	**2,225**	**2,225**	**780**

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 - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
SA-CCR (for derivatives)	989	1,219		1.4	3,090	3,090	3,090	1,095
IMM (for derivatives and SFTs)			-	-	-	-	-	-
Of which securities financing transactions netting sets			-		-	-	-	-
Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
Of which from contractual cross-product netting sets			-		-	-	-	-
Financial collateral simple method (for SFTs)					-	-	-	-
Financial collateral comprehensive method (for SFTs)					2,683	87	87	17
VaR for SFTs					-	-	-	-
Total					**5,773**	**3,177**	**3,177**	**1,112**

Transactions subject to own funds requirements for credit valuation adjustment (CVA) risk (EU CCR2)

30-6-2023	Exposure value	RWEA
Total transactions subject to the Advanced method	n/a	n/a
(i) VaR component (including the 3× multiplier)		n/a
(ii) stressed VaR component (including the 3× multiplier)		n/a
Transactions subject to the Standardised method	1,299	973
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	n/a	n/a
Total transactions subject to own funds requirements for CVA risk	**1,299**	**973**

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

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

30-6-2023	Risk weight											
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
Regional government or local authorities	130	-	-	-	-	-	-	-	-	-	-	**130**
Public sector entities	-	-	-	-	2	-	-	-	-	-	-	**2**
Institutions	-	85	-	-	911	299	-	-	-	-	-	**1,295**
Corporates	-	296	-	-	1	123	-	-	379	-	-	**799**
Total exposure value	**130**	**381**	**-**	**-**	**914**	**422**	**-**	**-**	**379**	**-**	**-**	**2,226**

31-12-2022	Risk weight											
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	**-**
Regional government or local authorities	143	-	-	-	-	-	-	-	-	-	-	**143**
Public sector entities	-	-	-	-	4	-	-	-	-	-	-	**4**
Institutions	-	242	-	-	1,240	516	-	-	-	-	-	**1,999**
Corporates	-	338	-	-	1	199	-	-	494	-	-	**1,032**
Total exposure value	**143**	**581**	**-**	**-**	**1,244**	**715**	**-**	**-**	**494**	**-**	**-**	**3,177**

Composition of collateral for counterparty credit risk (EU CCR5)

30-6-2023	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
Cash – domestic currency	-	760	-	4,086	-	115	-	5
Cash – other currencies	-	-	-	0	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	34	-
Other sovereign debt	-	-	716	-	-	-	20	1,822
Government agency debt	11	-	412	-	-	-	-	179
Corporate bonds	-	-	-	-	-	-	-	491
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	1,193	-	-	1,347	-	858
Total	**11**	**760**	**2,321**	**4,086**	**-**	**1,462**	**54**	**3,355**

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
Cash – domestic currency	-	1,173	0	4,055	-	-	-	89
Cash – other currencies	-	-	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	34	-
Other sovereign debt	-	-	642	-	-	-	19	913
Government agency debt	11	-	659	-	-	-	-	93
Corporate bonds	-	-	-	-	-	-	-	488
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	844	-	-	2,012	-	332
Total	**11**	**1,173**	**2,144**	**4,055**	**-**	**2,012**	**53**	**1,915**

Exposures to central counterparties (EU CCR8)

BNG Bank only has exposures with QCCPS, hence the rows regarding exposures to non-QCCPS are not included in the table below.

30-6-2023	Exposure value	RWEA
Exposures to QCCPS (total)	**381**	**8**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	381	8
(i) OTC derivatives	*378*	*8*
(ii) Exchange traded derivatives	-	-
(iii) SFT's	3	0
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-

31-12-2022	Exposure value	RWEA
Total exposures to QCCPS	**581**	**12**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	581	12
(i) OTC derivatives	*578*	*12*
(ii) Exchange traded derivatives	-	-
(iii) SFT's	*3*	*0*
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Alternative calculation of own funds requirements for exposures	-	-

EXPOSURES TO SECURITISATION POSITIONS (ARTICLE 449 CRR)

With regard to securitisations BNG Bank only acts as investor. For clarification purposes the tables below only contain the columns regarding 'acting as investor'. Also, only the relevant regulatory approach is mentioned in table EU SEC4.

Securitisation exposures in the non-trading book (EU SEC1)

30-6-2023	Institution acts as investor			
	Traditional		Synthetic	Sub-total
	STS	non-STS		
Total exposures	**4,156**	**1,297**	**-**	**5,453**
Retail (total)	4,156	1,281	-	5,437
- residential mortgage	4,156	1,281	-	5,437
- credit card	-	-	-	-
- other retail exposures	-	-	-	-
- re-securitisation	-	-	-	-
Wholesale (total)	-	16	-	16
- loans to corporates	-	-	-	-
- commercial mortgage	-	-	-	-
- lease and receivables	-	16	-	16
- other wholesale	-	-	-	-
- re-securitisation	-	-	-	-

31-12-2022	Institution acts as investor			
	Traditional		Synthetic	Sub-total
	STS	non-STS		
Total exposures	**4,092**	**1,347**	**-**	**5,439**
Retail (total)	4,092	1,329	-	5,420
- residential mortgage	4,092	1,329	-	5,420
- credit card	-	-	-	-
- other retail exposures	-	-	-	-
- re-securitisation	-	-	-	-
Wholesale (total)	-	19	-	19
- loans to corporates	-	-	-	-
- commercial mortgage	-	-	-	-
- lease and receivables	-	19	-	19
- other wholesale	-	-	-	-
- re-securitisation	-	-	-	-

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

30-6-2023	Exposure values (by RW bands/deductions)					Exposure value	RWEA	Capital charge after cap
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-ERBA (including IAA)	SEC-ERBA (including IAA)	SEC-ERBA (including IAA)
Total exposures	**5,081**	**343**	**15**	**14**	**-**	**5,453**	**763**	**60**
Traditional securitisation	5,081	343	15	14	-	5,453	763	60
Securitisation	5,081	343	15	14	-	5,453	763	60
Retail underlying	5,065	343	15	14		5,437	747	60
Of which STS	4,156	-	-	-		4,156	416	32
Wholesale	16	-	-	-		16	2	-
Of which STS	-		-	-		-	-	-
Re-securitisation								
Synthetic securitisation								
Securitisation								
Retail underlying								
Wholesale								
Re-securitisation								

31-12-2022	Exposure values (by RW bands/deductions)					Exposure value	RWEA	Capital charge after cap
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-ERBA (including IAA)	SEC-ERBA (including IAA)	SEC-ERBA (including IAA)
Total exposures	**5,023**	**375**	**25**	**15**	**-**	**5,439**	**785**	**61**
Traditional securitisation	5,023	375	25	15	-	5,439	785	61
Securitisation	5,023	375	25	15	-	5,439	785	61
Retail underlying	5,005	375	25	15		5,420	766	61
Of which STS	4,092	-	-	-		4,092	409	32
Wholesale	19	-	-	-		19	3	-
Of which STS	-		-	-		-	-	-
Re-securitisation								
Synthetic securitisation								
Securitisation								
Retail underlying								
Wholesale								
Re-securitisation								

MARKET RISK (ARTICLE 445 CRR)

Market risk under the standardised approach (EU MR1)

	30-6-2023 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	**-**	**-**

At 30 June 2023 and 31 December 2022 this position resulted in no capital requirement because our exposure on foreign exchange risk is below the threshold of 2% of eligible capital.

Qualitative information on interest rate risks 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 Economic Value of Equity (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.

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 account have short-term repricing dates (shorter than one year, but predominantly shorter than one month) and 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 (-/+ 200bps). 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 June 2023. This also holds for EVE and moreover the outlier criterion calculation for EVE and NII are respected.

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

	Changes of the economic value of equity		Changes of the net interest income	
	30-6-2023	**31-12-2022**	**30-6-2023**	**31-12-2022**
Parallel up	-295	-269	-54	-45
Parallel down	359	335	53	44
Steepener	-69	-84		
Flattener	22	42		
Short rates up	-71	-46		
Short rates down	75	48		

The outcomes of scenarios on both Economic Value of Equity and Net Interest Income did not change significantly compared to 31-12-2022.

ESG RISKS (ARTICLE 449A CRR)

In 2022, the EBA published binding standards for Pillar 3 disclosures on Environmental, Social and Governance (ESG) related risk categories. These ESG-risks will be incorporated in a new section in the Pillar 3 Interim Disclosure Report. The standards put forward comparable disclosures and KPIs, including a green asset ratio (GAR) and a banking book taxonomy alignment ratio (BTAR), as a tool to show how institutions are embedding sustainability considerations in their risk management, business models and strategy and their pathway towards the Paris Agreement goals.

The ESG-risks are classified as (in)direct financial or reputational damage to the bank due to ESG-events or inadequate response to public expectations. The ESG-risks are classified as follows:
- **Environmental risks:** acute or chronic physical environmental risk drivers, or the role in the transition to an environmentally sustainable economy of the bank itself or of associated third parties;
- **Social risks:** violations of human rights, employee rights, poverty, and customer relationships committed by the bank itself or by associated third parties;
- **Governance risks:** inadequate corporate governance, unethical management and transparency by the bank itself or by associated third parties.

More information regarding the qualitative information of the respective risks is described in the Pillar 3 report 2022. In order for banks to adopt to the new regime, the EBA has introduced a transitional phase-in period starting from 2023 with a full phase-in by June 2024. The mandatory ESG-templates are compiled based on best effort and represent the best estimates at this time.

ESG at BNG Bank

BNG Bank is a publicly owned bank servicing the public sector in The Netherlands. BNG Bank's purpose is "driven by social impact" instead of traditional profit maximization. To achieve this, the bank conducts its operation with a sense of responsibility toward environmental sustainability and societal welfare, and follows the principles of fairness and transparency. The bank has grounded its main activities (lending and funding) as well as the management of its internal organization and its role as an employer in the three dimensions of the ESG-model.

BNG Bank performs an Risk Materiality Assessment (RMA) to determine its short-term, medium-term and long-term ESG-targets[1]applicable for the different client sectors of BNG Bank. The RMA is set-up by identifying the ESG-factors on the financial performance or solvency of an entity, sovereign or individual. These factors form the basis to identify how these risks might materialize. Once the indicators of the ESG-factors are specified, several transmission channels are identified on how these can potentially affect the banks counterparties.

In order to assess, monitor and manage the materialization of the ESG-factors, BNG Bank developed a KRI utilizing a Weighted Average Carbon Intensity (WACI) indicator. The development of this KRI forms the basis for further development concerning other targets in the future. For the clients of the social housing-, healthcare-, networks-, environment-, and energy sector a medium term RMA assessment was completed in 2022. Whereas for clients in the educational-, public-, and mobility sector the medium term RMAs were finalized in the first quarter of 2023.

[1] Short-term (0 - 3 years) – annual revisions; Medium-term (4 – 10 years) – revision every three years; Long-term (from the year 2030 - 2050) – revision every six years.

BNG Bank has completed the ESG RMA related to credit-, market-, liquidity-, strategy- and operational risks. Following these RMAs, it demonstrates that the 'environmental' component of ESG, in particular related to transition risks, is considered the most material for most assessed portfolios. This is followed by physical risks. The impact of social and governance factors are deemed limited at the moment due to the business model of the bank and the geography in which it operates. The results of the RMA will be used for current and future choices and approaches for the integration of ESG risks in the risk management processes. As the results are addressed on a risk based approach, BNG Bank focusses on mainly critical material risks. Other results regarding the transition and/or physical risks are assessed on the materialization of these risks.

The results of the medium-term RMA related to credit risks shows the most significant material impact. Therefore, BNG Bank will continue to monitor developments per sector and analyze the impact.

The main material ESG credit factors per sector are[1]:

Medium term	Material ESG Credit Factors: Critical
Housing sector	Emissions, Energy efficiency
Public sector	Emissions, Energy efficiency, Biodiversity
Healthcare sector	Emissions, Energy efficiency
Networking	Emissions, Energy efficiency
Mobility	Emissions, Energy efficiency, Raw Materials
Education	Emissions, Energy efficiency
Energy	Biodiversity, Raw Materials
Environment	Emissions, Energy efficiency

In order to disclose the information related to ESG-risks, BNG Bank shall disclose the information referred to in Article 449a of the CRR by means of tables for the qualitative information and templates for the quantitative information. Templates 1 to 4 provide the quantitative information on climate change transition risks and template 5 on the physical risks. Templates 6 to 8 concern quantitative information on mitigating actions associated with economic activities that qualify as environmentally sustainable. Quantitative information on other mitigating actions and exposures to climate-change-related risks that do not qualify as environmentally sustainable economic activities can be disclosed by using template 10. Finally, template 9 may be used in the same manner as template 10. However, this template is associated with economic activities that qualify as environmentally sustainable towards counterparties that are non-financial corporations and that are not subject to the disclosure obligations.

For BNG Bank, only the templates regarding the banking book on indicators of potential climate change transition risk for the credit quality of exposures by sector (template 1) and the physical risks (template 5). The templates 2, 4, and 10 are not applicable to BNG Bank. Finally, template 3 and 6 till 9 are not mandatory at this point in time and will be phased-in at a later stage.

1 For emission, the indicators according to this source are (i) the total GHG emissions, (ii) emissions of air, water and/or inorganic pollutants, (iii) carbon footprint, (iv) fossil fuel sectors, (v) reduction policies on the use and production of fossil fuels, (vi) compliance with Paris Agreement targets, and (vii) reduction policies on emissions. The indicators for energy efficiency are focused on (i) energy consumption intensity and (ii) use of renewable sources of energy. For biodiversity and ecosystems, the indicators are (i) presence/operations in geographical areas impacted by soil degradation and/or areas or industries that are dependent on biodiversity and ecosystems services and/or protected areas, (ii) operations affecting IUCN Red List species and/or national conservation list species and, (iii) removing green areas in favor of new housings. All these indicators are in line with the EBAs definition. For sustainable raw material sourcing, the indicators are in line with the definition of the European Commission and focusses on the sustainable supply chain and procurement practices. Specifically, related to the sustainability and procurement of primary raw materials, such as procurement of sustainable wood.

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

30-6-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		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)[1]		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
	(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which: Stage 2 exposures	Of which: snon-performing exposures		Of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change***	**50,531**	**841**	**-**	**120**	**495**	**-42**	**-3**	**-37**	**586,585**	**5,563**		**7,815**	**9,349**	**12,753**	**20,571**	**124**
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	-	-	0	-	-0	-0	-	-	-		2	2	5	-	9
10	*C.10 - Manufacture of food products*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
11	*C.11 - Manufacture of beverages*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
12	*C.12 - Manufacture of tobacco products*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
13	*C.13 - Manufacture of textiles*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
14	*C.14 - Manufacture of wearing apparel*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-

30-6-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		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)**[1]		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
	(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which: Stage 2 exposures	Of which: snon-performing exposures		Of which Scope 3 financed emissions						
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*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
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*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
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*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-

30-6-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		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)**[1]		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
	(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	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						
32	*C.32 - Other manufacturing*	9	-	-	0	-	-0	-0	-	-	-		2	2	5	-	9
33	*C.33 - Repair and installation of machinery and equipment*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
34	D - Electricity, gas, steam and air conditioning supply	1,053	225	-	59	30	-22	-1	-20	-	-		123	130	775	2	26
35	*D35.1 - Electric power generation, transmission and distribution*	958	130	-	59	30	-22	-1	-20	-	-		123	130	680	2	11
36	*D35.11 - Production of electricity*	638	-	-	59	21	-20	-1	-18	-	-		5	116	494	2	6
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	95	95	-	-	-	-	-	-	-	-		-	-	95	-	15
38	*D35.3 - Steam and air conditioning supply*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
39	E - Water supply; sewerage, waste management and remediation activities	1,299	-	-	13	-	-0	-0	-	25,906	5,459		402	515	356	26	9
40	F - Construction	2,515	-	-	0	158	-18	-0	-17	13,304	-		550	379	562	1,006	26
41	*F.41 - Construction of buildings*	2,203	-	-	0	158	-17	-0	-17	12,969	-		508	350	435	892	11
42	*F.42 - Civil engineering*	279	-	-	-	-	-0	-	-	335	-		26	20	119	114	10
43	*F.43 - Specialised construction activities*	33	-	-	-	-	-0	-	-	-	-		16	9	8	-	5
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	64	29	-	16	-	-0	-0	-	15	-		3	8	53	-	9
45	H - Transportation and storage	869	580	-	-	156	-0	-	-	16,441	104		258	426	54	131	29
46	*H.49 - Land transport and transport via pipelines*	58	-	-	-	-	-	-	-	-	-		-	-	-	58	9
47	*H.50 - Water transport*	7	-	-	-	-	-0	-	-	-	-		-	6	-	-	12
48	*H.51 - Air transport*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-

30-6-2023

	(in million EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		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)**[1]		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
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	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						
49	*H.52 - Warehousing and support activities for transportation*	805	580	-	-	156	-0	-	-	16,441	104		258	420	54	73	8
50	*H.53 - Postal and courier activities*	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
51	I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
52	L - Real estate activities	44,721	7	-	32	150	-1	-1	-	530,919	-		6,477	7,888	10,948	19,407	16
53	**Exposures towards sectors other than those that highly contribute to climate change***	**5,179**	**-**	**-**	**1,022**	**100**	**-53**	**-14**	**-38**	**127,284**	**11,552**		**845**	**1,114**	**1,671**	**1,496**	**25**
54	K - Financial and insurance activities	828	-	-	-	3	-0	-	-	-	-		249	-	82	498	10
55	Exposures to other sectors (NACE codes J, M - U)	4,350	-	-	1,022	97	-53	-14	-38	127,284	11,552		596	1,114	1,589	999	15
56	**TOTAL**	**55,709**	**841**	**-**	**1,142**	**595**	**-95**	**-16**	**-75**	**713,870**	**17,115**		**8,660**	**10,463**	**14,424**	**22,068**	**149**

1 There is no data availability in 2022 for the Financed Emission columns, therefore we used 2020/2021 data.

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 import financing sector for BNG Bank is not included in this overview.

31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	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)[1]		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
(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	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						
1 **Exposures towards sectors that highly contribute to climate change***	**49,734**	**816**	**-**	**205**	**551**	**-87**	**-5**	**-78**	**598,318**	**5,563**	**-**	**8,036**	**9,026**	**12,853**	**19,732**	**122**
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	57	-	-	0	48	-43	-0	-43	-	-	-	2	8	5	-	11
10 C.10 - Manufacture of food products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 C.11 - Manufacture 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 C.19 - Manufacture of coke oven products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 C.20 - Production of chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31-12-2022

(in million EUR)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	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)[1]**		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
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	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						
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*	48	-	-	-	48	-43	-	-43	-	-	-	0	5	-	-	2
25 *C.25 - Manufacture of fabricated metal products, except machinery and equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 *C.26 - Manufacture of computer, electronic and optical products*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	0	-	-0	-0	-	-	-	-	2	2	5	-	9
33 *C.33 - Repair and installation of machinery and equipment*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 D - Electricity, gas, steam and air conditioning supply	1,042	267	-	67	33	-23	-2	-20	-	-	-	201	158	659	2	25
35 *D35.1 - Electric power generation, transmission and distribution*	281	148	-	5	10	-2	-0	-2	-	-	-	140	39	101	-	4
36 *D35.11 - Production of electricity*	673	30	-	62	22	-21	-2	-18	-	-	-	61	119	470	2	6
37 *D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	88	88	-	-	-	-	-	-	-	-	-	-	-	88	-	15
38 *D35.3 - Steam and air conditioning supply*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 E - Water supply; sewerage, waste management and remediation activities	1,261	-	-	45	-	-1	-1	-	25,906	5,459	-	448	448	348	15	8
40 F - Construction	2,518	-	-	0	161	-14	-	-13	13,304	-	-	573	382	525	1,023	27
41 *F.41 - Construction of buildings*	2,209	-	-	-	161	-14	-	-13	12,969	-	-	536	353	426	879	11

31-12-2022		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		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)[1]		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
	(in million EUR)		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which: Stage 2 exposures	Of which: snon-performing exposures		Of which Scope 3 financed emissions						
42	*F.42 - Civil engineering*	282	-	-	-	-	-0	-	-	335	-	-	27	21	91	144	11
43	*F.43 - Specialised construction activities*	27	-	-	0	-	-0	-	-	-	-	-	10	9	8	-	5
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	63	29	-	15	-	-0	-0	-	15	-	-	0	9	54	-	-
45	H - Transportation and storage	785	514	-	42	155	-1	-1	-	16,441	104	-	163	435	52	134	35
46	*H.49 - Land transport and transport via pipelines*	144	-	-	-	-	-	-	-	1,095	-	-	13	-	-	131	20
47	*H.50 - Water transport*	7	-	-	-	-	-0	-	-	-	-	-	-	6	-	-	6
48	*H.51 - Air transport*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	*H.52 - Warehousing and support activities for transportation*	635	514	-	42	155	-1	-1	-	15,346	104	-	150	429	52	3	9
50	*H.53 - Postal and courier activities*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52	L - Real estate activities	44,008	7	-	36	154	-5	-1	-2	542,652	-	-	6,650	7,587	11,210	18,558	16
53	**Exposures towards sectors other than those that highly contribute to climate change***	**5,266**	**-**	**-**	**850**	**212**	**-49**	**-13**	**-35**	**127,605**	**11,574**	**-**	**917**	**1,121**	**1,722**	**1,457**	**24**
54	K - Financial and insurance activities	879	-	-	0	3	-0	-0	-	-	-	-	273	14	115	477	9
55	Exposures to other sectors (NACE codes J, M - U)	4,387	-	-	850	209	-49	-13	-35	127,605	11,574	-	644	1,107	1,608	980	15
56	**TOTAL**	**55,001**	**816**	**-**	**1,055**	**763**	**-136**	**-18**	**-113**	**725,923**	**17,137**	**-**	**8,953**	**10,147**	**14,575**	**21,189**	**146**

1 There is no data availability in 2022 for the Financed Emission columns, therefore we used 2020/2021 data.

General

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), and mobility and other projects. As the emission data does not cover all sectors and only counterparties related to the loan portfolio, not all exposure reported in this template have related emissions. For scope 1 and 2, 88% of the exposures and 60% of counterparties reported under pillar 3 are estimated. For scope 3, 6% of the exposures and 14% of the counterparties are estimated. As scope 3 is 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 the social housing sector

The social housing sector includes the financing of housing associations. Scope 1 emissions in this sector mainly comprises of natural gas use in owned and rented accommodation. Scope 2 emissions consist of electricity and district heating use. The methodology to estimate the scope 3 emissions has not yet been developed. The type of emissions which are considered for scope 1 and 2 are on physical activity.

Determination of emissions

In order to determine the emissions within the social housing sector, the following datasets were used in the calculation process:

- The number of accommodations of housing associations per municipality provided by the Dutch central government (source: Verantwoordingsinformatie Wongingcorporaties);
- Gas, electricity, and district heating use of all housing associations per municipality provided by the Central Statistical Office (source: CBS – Centraal Bureau voor de Statistiek).

In order to estimate the energy use of a specific housing association, the percentage was calculated by comparing the accommodations of one housing association to all the accommodations owned by housing associations within a municipality. This percentage can be multiplied by the energy usage within the whole municipality. This was done for each specific housing association in a municipality. The related emissions were then calculated by multiplying each energy source with a corresponding emission factor. As the estimate is based on the gas and electricity use of corporation accommodations, it is a physical activity estimate.

Methodology for the healthcare sector

For healthcare institutions scope 1 emissions for this sector include natural gas use for the heating of buildings and disinfecting medical tools. Scope 2 emissions include the use of electricity. For this sector scope 3 can be estimated with data covering the commuting of the employees of the healthcare institutions. Emissions for all three scopes were estimated based on physical activities.

Determination of emissions

In order to determine the direct and indirect emissions within the healthcare sector, the following datasets were used in the calculation process:

- The buildings owned and accompanying surface area size by healthcare institutions by means of cadastral information. Specifically, by combining the data regarding the registration of addresses and buildings provided by the central government (source: BAG - Basisregistratie Adressen en Gebouwen) and the identification within this dataset to identify a specific address (source: VBO - Verblijfsobject);
- Energy consumption data by (grouped) buildings from network operators (source: Stedin, Enexis and Liander). The network operators use the same identification as the cadastral information. The information provided is clustered as a result of privacy restrictions that prevents network operators from providing energy consumption data for individual buildings. To limit the impact of this restrictions, clusters were made for buildings owned by the same healthcare institution. Where this was not possible, the average surface area of the buildings was calculated at the level of the healthcare institution (based on cadastral data), after which clusters of at least 15 buildings were made by combining buildings of those healthcare institutions that have a comparable average surface area size.
- Average traveling distance per means of transport (public transport, bike, car, foot, and other) per person per region (province) per year (source: CBS).
- Average traveled commuting distance (km) per person (12 years and older) per region (province) per year (source: CBS).
- Number of FTEs per healthcare institutions (source: Ministry of Health, Welfare and Sports, 2021).

In order to estimate the energy use and related emissions of a specific healthcare institution (scope 1 and 2), each institution was defined by means of the cadastral data. For the cluster information of the network operator, the actual energy consumption data was used in the form of standard annual consumption (source: SJV – standard jaarverbruik). To convert the provided annual consumption into energy consumption per m2, the values provided by the network operators were divided by the average surface area of all buildings in a given cluster. Finally, this factor was multiplied with the building surface area size of the buildings in the corresponding cluster. Emissions were estimated by multiplying energy use with corresponding emission factors. For buildings with missing data a proxy was used based on the average electricity and gas use differentiated by building period and surface area. Consecutively this factor of energy use was multiplied with similar buildings.

The emissions following from the commuting of the employees (scope 3), were estimated by using the ratio based on average yearly traveling distance per transport mode multiplied with the average yearly traveled distance of a person (12 years and older) per province. This provides an estimate of how much a person travels by which types of transport per province. In order to differentiate the average commuting distance by means of transport, the previously calculated transport type ratios were multiplied with the average commuting distance per person per year per province. To identify the impact per healthcare institution, the ratio per transport mode was multiplied with the amount of FTEs of each healthcare institution. Finally, all types of transport modes per healthcare institution were added.

Methodology for the educational sector

For educational institutions, scope 1 emissions consists of natural gas used for, but not limited to, heating buildings. The scope 2 emissions consist of purchased electricity . The methodology to estimate the scope 3 emissions have not yet been developed. The basis of the methodology is data related to economic activity. Specifically, for the costs of energy (gas and electricity) made by educational institutions. This information is publicly known. However, there is no differentiating between the use of gas and electricity. For this reason, we estimated the ratio of usage based on the institutions per municipality.

Determination of emissions

In order to determine the direct emissions within the educational sector, the following datasets were used in the calculation process:

- Data on the supplied amount of natural gas and electricity to the education sector per year per municipality (source: CBS);
- Data on the transaction prices for natural gas and electricity for end consumers of energy (source: CBS);
- Registration numbers, addresses of buildings, number of pupils/students, costs of energy, and total assets per educational institution (source: public data from Dienst Uitvoering Onderwijs (DUO)).

In order to estimate the energy use of natural gas and electricity of a specific educational institution, this was achieved by multiplying the supplied amount of gas and electricity at the municipal level with by the prices of gas and electricity. The ratio of gas and electricity was calculated by dividing the gas and electricity costs respectively by the total costs. This provides, at municipal level, the (average) ratio of electricity versus gas of the energy mix of an educational institution. In order to estimate the costs of an individual institution, as the total energy costs of educational institutions is reported by DUO, this ratio was applied to total energy costs to estimate the costs an individual institution made on gas and on electricity. For educational institutions that have buildings in multiple municipalities, the gas/electricity ratios of these municipalities were weighted according to the number of students the educational institution has in each municipality. Given the energy use by individual institution, the costs were determined with the price of electricity and gas.

Methodology for the network sector

Companies in this sector 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. A more detailed description of the specific methodology can be found on their website.[1] 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.

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

Determination of emissions

The calculations provided by the network sector differentiate between all three scopes. Scope 1 focusses on emissions that are developed during the extraction and treatment of groundwater and the natural gas and generators used. In addition, the use of vehicles per institution is also considered. Finally, the energy that is generated by themselves (i.e. wind and/or solar electricity and RWZI (wastewater purification plants)) is also recorded. 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. The emissions are measured in megatons of CO2 equivalent. This method is in line with the policy used by the Central Statistical Office.

Methodology for the mobility sector and other sector

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. The economic activity was determined by using a sector specific GHG emission factor based on revenues which was calculated for this purpose. As a result, no division can be made between scope 1 and 2.

Determination of emissions

In order to determine the emissions within the mobility and divers sector, the following datasets were used in the calculation process:
- GHG emissions to air by the Dutch economy at the sector level (CBS);
- Net revenue of the Dutch economy at the sector level (CBS).

The emissions to air by a given sector were divided by the net revenue of that sector to provide a sector-level emission factor expressed in CO2-equivalent divided by the revenue of that counterparty. Consecutively this emission factor was multiplied by the revenues of the counterparties in the corresponding sector to estimate their combined scope 1 and 2 emissions.

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

This template is not applicable to BNG Bank as it does not hold loans that are collateralized by immovable property in its portfolio.

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

This template is used to determine a top 20 carbon-intensive firms. This template is not applicable to BNG Bank as it uses a list compiled by another firm.

The Carbon Majors Database from the Carbon Disclosure Project and the Thomas Reuters Global 500 GHG Performance and Fuel Energy all compiled a top 20 list. BNG Bank has selected the list of the Carbon Majors Database from the Carbon Disclosure Project to be used in its internal process.

BNG Bank used certain criteria to determination which top 20 list would be used:
- the measurement date of the emission data used;
- the selection of companies made;
- the scope of the emission data used; and
- the Carbon equivalents included.

BNG Bank opted for the Carbon Majors Database because the database used 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. On the other hand, this list only includes fossil fuel- and cement companies and thereby leaving other sectors out. However, in comparison to other lists that did include more sectors, the database used was more outdated and/or did not include scope 3 emissions.

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

	30-6-2023	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	a	Gross carrying amount/nominal amount													
			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		
	(in million EUR)		<= 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	-	-	-	-	-	-	-	-	-	-	-0	-0	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	9	0	-	-	-	-	-	0	-	0	-	-0	-0	-
4	D - Electricity, gas, steam and air conditioning supply	1,029	5	93	153	-	7	-	249	-	50	-	-22	-1	-20
5	E - Water supply; sewerage, waste management and remediation activities	1,299	229	437	264	26	8	14	942	-	-	-	-0	-0	-
6	F - Construction	2,507	385	227	197	892	13	1,531	1,691	1,527	-	23	-18	-0	-17
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	64	-	-	-	-	-	-	-	-	-	-	-0	-0	-
8	H - Transportation and storage	869	19	-	1	3	15	4	19	-	-	-	-0	-	-
9	L - Real estate activities	44,721	6,195	7,477	10,425	17,913	16	19,451	41,912	19,353	1	12	-1	-1	-
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed colalterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	5,210	467	399	429	377	12	494	1,488	340	339	24	-43	-14	-28

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.

31-12-2022	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount													
			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**		
(in million EUR)			<= 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	0	-	-	-	-	-	0	-	0	-	-0	-0	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	57	42	9	1	-	4	-	8	-	0	48	-43	-0	-43
4	D - Electricity, gas, steam and air conditioning supply	1,042	102	27	182	-	6	-	310	-	5	-	-1	-0	-
5	E - Water supply; sewerage, waste management and remediation activities	1,261	362	365	207	15	7	68	910	30	-	-	-0	-	-
6	F - Construction	2,518	100	25	28	171	6	4	319	-	-	-	-0	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	63	-	-	-	-	-	-	-	-	-	-	-	-	-
8	H - Transportation and storage	785	119	57	15	3	9	4	189	-	14	155	-0	-	-
9	L - Real estate activities	44,008	2,405	2,736	3,866	6,012	15	2,227	12,917	126	34	-	-1	-1	-
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Repossessed colalterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	5,267	559	436	568	791	10	120	2,207	-	392	75	-28	-6	-21

Methodology

In template 5 are exposures reported that are subject to both acute and chronic physical climate risk aggregated to NACE sector levels. Methodological developments have led to different results compared to last iteration of this report. Previously, a proxy methodology based on the statutory postal code was used for all clients. Now more detailed and granular data has been used for clients within the housing, healthcare, and education sector. For these clients the location of the buildings has been used to estimate sensitivity to physical climate risk. Housing associations score considerably higher compared to last report as for this report location data was retrieved at the municipal level.

Out of prudential considerations the maximum values on the climate scenarios corresponding to these areas was used. This leads to an overestimation as there are large areas in municipalities that have a lower value then the maximum. In addition, there is no longer a 2 kilometer radius around the asset/client location used to determine natural fire sensitivity. This as the values in this scenario are already based on amount of flammable material, hence such a radius is not expected to capture the risk to natural fires. Therefore on this particular climate event, the clients score lower.

The process of estimating to what extent counterparties are sensitive to physical risks generally consists of four steps:
- Assessing the materiality of physical risk events;
- Developing indicators that enable the measurement of these physical risks;
- Measuring physical risk indicators, and;
- Determining sensitivity.

These methodological steps will be discussed consecutively below.

Materiality assessment

The internal ESG credit RMA is used as a starting point for the estimation of physical risk sensitivity. This assessment was performed for each client sector and includes a rough estimation of the financial impact of physical climate events on identified transmission channels. For each sector these assessments showed that pole rot, wildfire and floods are relevant risks. Intra- and intersectoral depth will be finetuned and improved incrementally in the future. The time-horizon of the RMA is 10 years and will be extended for upcoming reports to include the long-term as well.

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:
- Pole rot: asset/postal code location in a geographic area that currently has a moderate to very high exposure to pole 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.[1]

[1] Note that the proxy methodology that uses the statutory postal codes of counterparties is necessitated due to data availability constraints and does not accurately reflect the location were the impact of the physical climate events is felt and as such lacks validity. The collection of relevant locations is an ongoing process and this shortcoming will be incrementally alleviated in subsequent reports.

Measuring physical risk indicator

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)[2]. 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.[3]

The following scenarios were used:
- Risk of pole rot (current situation): Scenario for the risk of pole 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.

Determining sensitivity

Ideally sensitivity is determined by translating the impact of the physical climate events on the counterparties to a financial value and use that value to develop a sensitivity threshold.

However, such a method is not yet developed and 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 is moderate to very high, for wildfire when the value is high, and for flood depth of 1 meter of higher.

[2] An organization consisting of government entities and research institutes that is dedicated to developing and sharing national climate information.

[3] Out of the 661 counterparties, 10 counterparties with a combined exposure of EUR 994 million are based outside of the Netherlands and thus were not covered by these scenarios.

Housing associations, where accommodation locations at the municipal level were used, were classified as being sensitivity when 50% or more of the accommodations reached these climate value thresholds. Healthcare and educational institutions have a considerably lower amount of buildings, hence these clients were classified as being sensitive when one or more buildings reached these threshold values.

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) which are not covered by the EU Taxonomy Regulation. Therefore, this template is not applicable to BNG Bank.

BNG Bank
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Koninginnegracht 2
P.O. Box 30305
2500 GH The Hague
The Netherlands
T +31 70 3750 750
info@bngbank.nl
bngbank.com

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

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