

PRESS RELEASE ON 2023 ANNUAL FIGURES

The full annual report will be published on 29 March 2024 on [bngbank.com](https://www.bngbank.com).

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## **BNG Bank achieved healthy financial results in 2023 and saw its clients increase their social impact**

- **Clients achieved social goals with loans from BNG Bank**
- **Long-term loan portfolio EUR 89.2 billion (2022: EUR 88 billion)**
- **Decrease of net profit to EUR 254 million (2022: EUR 300 million)**
- **Interest result structurally healthy**
- **Dividend EUR 120 million, EUR 2.16 per share**

Gita Salden, CEO of BNG Bank: 'Despite geopolitical tensions, some foreign bank failures and a cooling economy, BNG Bank achieved strong financial results in 2023. Thanks to our solid financial position, we were able to fulfil our market leadership role as a public sector financier. Leading rating agencies once again awarded BNG Bank their highest credit rating in 2023. Based on these ratings, we were able to raise funding on favorable terms in various currencies throughout the year, for both the short and long term.'

BNG Bank was founded more than a hundred years ago to solve social and sustainability challenges. That is what drives us. It is good to see that municipalities, housing associations, and healthcare and educational institutions have used our loans and financial knowledge again this year to achieve important social goals. This includes projects in the field of the energy transition, keeping neighbourhoods liveable, and improving social housing, education and care institutions.

Research in 2023 showed that our clients greatly value our services and the advantageous financing and conditions. We are proud of this and continue to invest in optimising business processes and efficient services. In 2024, BNG Bank wants to further reduce the CO2 footprint of the loan portfolio and continue to provide impetus to the ESG performance of its clients and the bank itself. We will do this through our loans and our knowledge, in close collaboration with our clients.'

### **Financial results**

BNG Bank achieved good financial results in 2023. The interest result amounted to EUR 563 million, which is EUR 82 million more than the result for 2022. The longer terms of the loans granted – the average term was 23 years – and increased interest rates contributed to this increase. BNG Bank regards the interest result as structurally healthy. During the 2023 reporting year, BNG Bank recorded a net profit of EUR 254 million. Last year the net

profit was EUR 300 million. Although the net profit was positively affected by the increased interest result, it was EUR 46 million lower than in 2022 due to a lower result on financial transactions from the liquidity portfolio.

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The long-term loan portfolio increased by EUR 1.2 billion to EUR 89.2 billion in 2023. BNG Bank issued new long-term loans to clients for EUR 11.3 billion. This is EUR 1 billion less than last year, but EUR 0.5 billion more than expected given the challenging market conditions.

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BNG Bank managed to attract sufficient funding and achieve good transactions in terms of volume, term and pricing in 2023. We then passed on this funding to the clients in the form of advantageous loans. It matters to us that BNG Bank's loans are among the most advantageous on the market. This translates directly into lower costs for our clients and a higher return for society, which ultimately benefits the residents of the Netherlands. BNG Bank's capital position remained strong in the reporting year. At the end of 2023, the Common Equity Tier 1 ratio and standard Tier 1 ratio were 43% and 46% respectively.

BNG Bank is satisfied with the steady growth in attracting funding with ESG bonds. In recent years, BNG Bank has already seen a significant increase in the issue of ESG bonds. While this made up 14% of the total issue of its bonds in 2020, it increased to a share of more than 41% last year. In total, BNG Bank issued EUR 6.3 billion of ESG bonds in 2023, both through new bond issues and by increasing the amounts of some existing bonds.

To the shareholders a dividend of EUR 120 million for 2023 will be proposed at the General Meeting. This represents 50% of the net profit, adjusted for the payment on the additional Tier 1 capital.

### **Outlook for 2024**

BNG Bank has set out its strategy in the document entitled 'Our Road to Impact'. The main goal of this strategy is to continue working to make the Netherlands more socially oriented and sustainable, as the biggest lender to the public sector. BNG Bank wants to continue to provide impetus to the ESG performance of its clients and the bank itself. BNG Bank does this by providing loans and sharing knowledge in close cooperation with clients. To establish the bridging role between the capital market and the public sector, BNG Bank wants to improve and simplify the way clients bank with BNG Bank, including by digitalising our client processes.

*The Hague, 8.00 CET*

### **BNG Bank – driven by social impact**

BNG Bank exclusively serves the public domain in the Netherlands. Our clients include municipalities, housing associations, healthcare and educational institutions, and energy companies. The aim is for clients to regard the bank as a natural partner for funding the societal issues they face. BNG Bank is the fourth-largest bank in the Netherlands in terms of balance sheet total.

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