

PILLAR 3

JUNE 2022

Disclosure report



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PILLAR 3 INTERIM DISCLOSURE REPORT BNG BANK JUNE 2022

INTRODUCTION

This Pillar III Interim Disclosure Report 2022 provides the consolidated disclosure of BNG Bank N.V. required by Capital Requirements Regulations (EU No 575/2013) on prudential requirements for credit institutions and investment firms (Part Eight) and the final draft Implementing Technical Standards (ITS) on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (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.* This report is presented in euros (EUR) which is the functional and reporting currency of BNG Bank. Certain figures in the report may not tally exactly as a result of rounding.

In accordance with Article 423 of the CRR, BNG Bank may omit one or more of the required disclosures where the information provided by those disclosures is not regarded as material or is not applicable to its operations. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions.

BNG Bank publishes yearly an interim report and an annual report on its website. The annual report has been reviewed by an external auditor. The information of this 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.

Reference templates	Rationale for exclusion
EU CQ2, CQ6, CQ8, EU CR2 and EU CR2A	The NPL ^[1] ratio of BNG Bank does not exceed 5%. Hence, these templates are not applicable.
EU CR6, EU CR7, EU CR7-A, EU CR8, EU CR10, EU CCR4	BNG Bank does not apply IRB approach. As such, these templates are not applicable.
EU CCR6	The Bank does not have credit derivative exposure.
EU CCR7, EU MR4	BNG Bank is not classified as G-SIIs. These templates are therefore not applicable.
EU SEC2	BNG Bank does not have a trading book.
EU SEC3, EU SEC5	The 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 MR2-A, EU MR2-B, EU MR3	The Bank has not adopted the Internal Model Approach (IMA). The templates are not applicable.

Table 1 – Omitted templates and rationale for exclusion

^[1] non-performing loans

COVID-19 Disclosure

In June 2020, EBA published the Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis (EBA/GL/2020/07). These additional reporting and disclosure requirements were introduced on a temporary basis (until 31 December 2021). On 17 January 2022 the EBA confirmed that the COVID-19 disclosure requirement continues until further notice. The templates are not included in this report as all requested figures for the reporting period are nil.

DECLARATION OF RESPONSIBILITY

The information disclosed in this Report has been prepared in accordance with the internal control processes and is approved by the Executive Committee. Information considered to be proprietary or confidential is not published, but instead, the bank will provide a generic disclosure.

The Pillar III Interim Disclosure Report was approved by the Executive Committee on 8 November 2022.

Members of the Executive Committee

Gita Salden (CEO), statutory director

Olivier Labe (CFO), statutory director

Cindy van Atteveldt-Machielsen (CRO), statutory director

Jaco van Goudswaard (COO)

Thomas Eterman (CCO)

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

Key metrics template (EU KM1)

	30-6-2022	31-3-2022	31-12-2021	30-6-2021	31-12-2020
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	4,013	4,186	4,080	4,112	4,050
Tier 1 capital	4,322	4,495	4,813	4,845	4,783
Total capital	4,322	4,495	4,813	4,845	4,783
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	10,909	12,245	12,760	13,437	12,127
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	36.78%	34.18%	31.97%	30.60%	33.40%
Tier 1 ratio (%)	39.62%	36.71%	37.72%	36.06%	39.44%
Total capital ratio (%)	39.62%	36.71%	37.72%	36.06%	39.44%
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 (%)	2.00%	2.00%	2.25%	1.27%	2.25%
- of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.27%	0.42%	1.27%
- of which: to be made up of Tier 1 capital (percentage points)	1.50%	1.50%	1.69%	0.56%	1.69%
Total SREP own funds requirements (%)	10.00%	10.00%	10.25%	10.25%	10.25%
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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%

	30-6-2022	31-3-2022	31-12-2021	30-6-2021	31-12-2020
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 (%)	3.50%	3.50%	3.50%	3.50%	3.50%
Overall capital requirements (%)	13.50%	13.50%	13.75%	13.75%	13.75%
CET1 available after meeting the total SREP own funds requirements (%)	31.15%	25.33%	23.20%	20.35%	n/a
Leverage ratio					
Total exposure measure	52,387	40,432	45,277	48,813	137,526
Leverage ratio	8.25%	11.12%	10.63%	9.93%	3.48%
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%	n/a
- of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	3.74%	n/a
Total SREP leverage ratio requirements (%)	3.55%	3.72%	3.79%	n/a	n/a
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%	n/a
Overall leverage ratio requirements (%)	3.55%	3.72%	3.79%	3.74%	n/a
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value - average)	32,468	41,319	18,559	25,419	13,346
Cash outflows - Total weighted value	15,110	27,445	12,022	16,286	12,442
Cash inflows - Total weighted value	1,954	3,403	1,309	2,005	2,435
Total net cash outflows (adjusted value)	13,156	24,043	10,713	14,281	10,008
Liquidity coverage ratio (%)	176.65%	163.34%	155.28%	157.46%	157.46%
Net Stable Funding Ratio					
Total available stable funding	102,920	111,846	113,748	115,221	110,947
Total required stable funding	81,856	87,695	90,503	91,558	91,342
NSFR ratio (%)	125.73%	127.54%	125.68%	125.84%	121.46%

As per 30 June 2022 our CET 1 ratio amounted to 36.78% (2021: 31.97%). The slight increase is mainly due to counterparty credit risk. The leverage ratio decreased to 8.25% (2021: 10.63%) this is because Central Bank reserves are no longer excluded from the calculation. All of bank's capital ratios remain well above the minimums set by the regulator.

Overview of risk Weighted exposure amounts (EU OV1)

	30-6-2022	31-3-2022	31-12-2021	30-6-2022 Total own funds requirements	31-3-2022 Total own funds requirements
	Risk weighted exposure amounts (RWEAs)				
Credit risk (excluding CCR)	7,799	8,164	8,263	624	653
- Of which the standardised approach	7,799	8,164	8,263	624	653
- Of which the foundation IRB (FIRB) approach	-	-	-	-	-
- Of which: slotting approach	-	-	-	-	-
- Of which: equities under the simple riskweighted approach	-	-	-	-	-
- Of which the advanced IRB (AIRB) approach	-	-	-	-	-
Counterparty credit risk - CCR	1,521	2,455	2,863	122	196
- Of which the standardised approach	840	1,289	1,464	67	103
- Of which internal model method (IMM)	-	-	-	-	-
- Of which exposures to a CCP	10	9	9	1	1
- Of which credit valuation adjustment - CVA	658	1,144	1,378	53	92
- Of which other CCR	14	13	12	1	1
Settlement risk	-	-	-	-	-
Securitisation exposures in the non-trading book (after the cap)	746	783	791	60	63
- Of which SEC-IRBA approach	-	-	-	-	-
- Of which SEC-ERBA (including IAA)	746	783	791	60	63
- Of which SEC-SA approach	-	-	-	-	-
- Of which 1250%/ deduction	-	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	-	-	-	-	-
- Of which the standardised approach	-	-	-	-	-
- Of which IMA	-	-	-	-	-
Large exposures	-	-	-	-	-
Operational risk	843	843	843	67	67
- Of which basic indicator approach	-	-	-	-	-
- Of which standardised approach	843	843	843	67	67
- Of which advanced measurement approach	-	-	-	-	-
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-	-	-
Total	10,909	12,245	12,760	873	980

The risk weighted exposure amount decreased to EUR 10.909 (2021: EUR 12.760).

OWN FUNDS (ARTICLE 437 CRR)

Composition of regulatory own funds (EU CC1)

Common Equity Tier 1 (CET1) capital: instruments and reserves		30-6-2022	31-12-2021
1	Capital instruments and the related share premium accounts	146	146
	<i>of which: Instrument type 1</i>	146	146
	<i>of which: Instrument type 2</i>	-	-
	<i>of which: Instrument type 3</i>	-	-
2	Retained earnings	3,824	3,734
3	Accumulated other comprehensive income (and other reserves)	60	213
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	4,030	4,093
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-9	-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	-6	-1
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	-3
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	-	-

Common Equity Tier 1 (CET1) capital: instruments and reserves		30-6-2022	31-12-2021
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	of which: securitisation positions (negative amount)	-	-
EU-20d	of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	-
22	Amount exceeding the 17,65% threshold (negative amount)	-	-
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	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 (<i>including IFRS 9 transitional adjustments when relevant</i>)	-1	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-17	-13
29	Common Equity Tier 1 (CET1) capital	4,013	4,080
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	309	733
31	<i>of which: classified as equity under applicable accounting standards</i>	<i>309</i>	<i>733</i>
32	<i>of which: classified as liabilities under applicable accounting standards</i>	-	-
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	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	309	733
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	-	-

Common Equity Tier 1 (CET1) capital: instruments and reserves		30-6-2022	31-12-2021
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
44	Additional Tier 1 (AT1) capital	<i>309</i>	<i>733</i>
45	Tier 1 capital (T1 = CET1 + AT1)	4,322	4,813
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 adjustments to T2 capital	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-
58	Tier 2 (T2) capital	-	-
59	Total capital (TC = T1 + T2)	4,322	4,813
60	Total risk exposure amount	10,909	12,760

Common Equity Tier 1 (CET1) capital: instruments and reserves

30-6-2022 31-12-2021

Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	36.78%	31.97%
62	Tier 1 (as a percentage of total risk exposure amount)	39.62%	37.72%
63	Total capital (as a percentage of total risk exposure amount)	39.62%	37.72%
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)	9.13%	9.27%
65	<i>of which: capital conservation buffer requirement</i>	2.50%	2.50%
66	<i>of which: countercyclical buffer requirement</i>	0.00%	0.00%
67	<i>of which: systemic risk buffer requirement</i>	0.00%	0.00%
EU-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	1.00%	1.00%
EU-67b	<i>of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	1.13%	5.73%
68	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	29.62%	23.20%

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	108	122
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

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	
	30-6-2022	31-12-2021
Assets		
Cash and balances with the central bank	25,350	9,264
Amounts due from banks	155	163
Cash collateral posted	4,964	12,993
Financial assets at FVTPL	1,136	1,383
Derivatives	4,318	5,685
Financial assets at FVOCI	7,255	8,572
Interest-bearing securities at AC	7,354	7,632
Loans and advances	90,440	89,738
Value adjustments on loans involved in portfolio hedge accounting	-3,013	13,555
Participating interests	24	28
Property and equipment	14	15
Other assets	-	21
Current tax assets	195	-
Assets held for sale	-	8
Total assets	138,192	149,057
Liabilities		
Amounts due to banks	19,518	19,525
Cash collateral received	1,093	984
Financial liabilities at FVTPL	221	310
Derivatives	8,128	16,935
Debt securities issued	97,591	101,355
Funds entrusted	6,597	4,525
Subordinated debts	37	36
Current tax assets	25	32
Deferred tax liabilities	20	77
Other liabilities	417	216
Total Liabilities	133,647	143,995
Equity		
Share capital	139	139
Share premium reserve	6	6
Retained earnings	3,827	3,736
Revaluation reserve	60	83
Cash flow hedge reserve	6	1
Own credit adjustment	1	3
Cost of hedging reserve	-9	125
Net profit	206	236
Equity attributable to shareholders	4,236	4,329
Hybrid capital	309	733
Total equity	4,545	5,062
Total liabilities and equity	138,192	149,057

The interim consolidated financial statements have been prepared in accordance with IFRS. There is one difference between the scope of accounting consolidation and regulatory consolidation. This concerns the treatment of netting of derivatives in the regulatory consolidation and results in higher assets in the regulatory reporting for the amount of EUR 75 million.

COUNTERCYCLICAL CAPITAL BUFFER (ARTICLE 440 CRR)

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

30-6-2022	General credit exposures	Relevant credit exposures - market risk	Securiti-sation exposure	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Own funds requirements 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	209	-	19	228	17	-	-	17	209	2.41%	0.00%
Germany	147	-	-	147	9	-	-	9	111	1.28%	0.00%
Spain	0	-	220	220	0	-	7	7	91	1.05%	0.00%
France	149	-	266	416	4	-	2	6	81	0.93%	0.00%
Great Britain	1,484	-	-	1,484	54	-	-	54	676	7.80%	0.00%
Ireland	37	-	35	72	1	-	2	2	27	0.31%	0.00%
Italy	-	-	70	70	-	-	1	1	13	0.18%	0.00%
Luxembourg	-	-	18	18	-	-	0	0	2	0.02%	0.50%
Netherlands	8,318	-	4,474	12,792	549	-	47	596	7,454	86.00%	0.00%
Portugal	-	-	4	4	-	-	0	0	2	0.02%	0.00%
Total	10,345	-	5,106	15,450	634	-	60	693	8,665	100.00%	

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

Amount of institution-specific countercyclical capital buffer	30-6-2022	31-12-2021
Total risk exposure amount	10,909	12,760
Institution specific countercyclical buffer rate	0.000%	0.000%
Institution specific countercyclical buffer requirement	0	0

LEVERAGE RATIO (ARTICLE 451 CRR)

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

		30-6-2022	31-12-2021
		Applicable amounts	
1	Total assets as per published financial statements	138,267	149,057
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	306
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))	-	-9,264
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	-1,857	-3,232
9	Adjustments for securities financing transactions "SFTs"	-144	0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4,856	4,330
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-	-
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	-88,735	-95,920
13	Total leverage ratio exposure	52,387	45,277

LRCom: Leverage ratio common disclosure (EU LR2)

	30-6-2022 CRR Leverage ratio exposures	31-12-2021 CRR Leverage ratio exposures	
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	133,646	134,322
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)	-4,661	-13,209
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)	-34	-13
7	Total on-balance sheet exposures (excluding derivatives, SFTs)	128,951	121,100
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	591	1,114
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	1,871	1,821
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	2,461	2,935
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,302	654
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-1,143	-592

	30-6-2022	31-12-2021
16 Counterparty credit risk exposure for SFT assets	-	-
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	159	62
Other off-balance sheet exposures		
19 Off-balance sheet exposures at gross notional amount	11,491	10,860
20 (Adjustments for conversion to credit equivalent amounts)	-6,635	6,530
21 (General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22 Off-balance sheet exposures	4,856	4,330
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)	-84,039	-83,149
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)	-	-

	30-6-2022	31-12-2021
EU-22j (Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k (Total exempted exposures)	-84,039	-83,149
Capital and total exposures		
23 Tier 1 capital	4,322	4,813
24 Leverage ratio total exposure measure	52,387	45,277
Leverage ratio		
25 Leverage ratio	8.25%	10.63%
EU-25 Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	3.17%	10.63%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.25%	9.83%
26 Regulatory minimum leverage ratio requirement (%)	3.00%	3.79%
EU-26a Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	-
EU-26b of which: to be made up of CET1 capital (percentage points)	0.00%	-
EU-27 Required leverage buffer (%)	0.00%	0.00%
EU-27a Overall leverage ratio requirement (%)	3.00%	-
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	296	127

The requirements for calculating the exposure measure have changed under CRR2. The calculation of the exposure measure is now based on the SA-CCR approach.

BNG Bank is no longer allowed to exempt central bank reserves from the exposure measure in accordance with Article 429a(1)(n) of the CRR2. The relief originally expired at 27 June 2021 and was extended until end of March 2022 due to the exceptional circumstances. The leverage ratio decreased to 8.25%. The minimum requirement for the leverage ratio decreased to 3.00% from 3.79%.

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

30-6-2022
CRR Leverage
ratio exposures

On-balance sheet exposures (excluding derivatives and SFTs)		
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	47,742
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	47,742
EU-4	Covered bonds	1,308
EU-5	Exposures treated as sovereigns	32,452
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	30
EU-7	Institutions	484
EU-8	Secured by mortgages of immovable properties	93
EU-9	Retail exposures	-
EU-10	Corporate	8,001
EU-11	Exposures in default	396
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	4,976

LIQUIDITY REQUIREMENTS (ARTICLES 435 AND 451A)

Quantitative information of LCR (EU LIQ1)

Scope of consolidation (consolidated)	Total unweighted value				Total weighted value			
Currency and units (EUR million)	30-6-2022	31-3-2022	31-12-2021	30-9-2021	30-6-2022	31-3-2022	31-12-2021	30-9-2021
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					33,797	30,645	28,972	28,883
Cash-outflows	-	-	-	-	-	-	-	-
2 Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3 - Stable deposits	-	-	-	-	-	-	-	-
4 - Less stable deposits	-	-	-	-	-	-	-	-
5 Unsecured wholesale funding	16,211	15,640	16,278	17,163	14,116	13,687	14,337	15,194
6 - Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7 - Non-operational deposits (all counterparties)	5,813	5,650	5,814	6,073	3,718	3,698	3,873	4,104
8 - Unsecured debt	10,398	9,989	10,463	11,091	10,398	9,989	10,863	11,091
9 Secured wholesale funding					1,250	711	-	-
10 Additional requirements	11,638	13,889	15,627	16,153	6,714	7,429	7,632	7,682
11 - Outflows related to derivative exposures and other collateral requirements	6,384	6,765	6,629	6,581	6,132	6,623	6,604	6,581
12 - Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 - Credit and liquidity facilities	5,254	7,124	8,998	9,572	582	806	1,029	1,101
14 Other contractual funding obligations	607	388	82	26	607	388	82	26
15 Other contingent funding obligations	4,086	2,866	1,695	1,463	378	243	111	75
16 Total cash outflows					23,065	22,458	22,162	22,977
Cash-inflows								
17 Secured lending (eg reverse repos)	166	166	51	39	114	114	-	20
18 Inflows from fully performing exposures	2,234	2,525	2,813	2,963	1,216	1,364	1,520	1,598
19 Other cash inflows	2,322	2,000	1,476	1,321	2,322	2,000	1,476	1,321

Scope of consolidation (consolidated)	Total unweighted value				Total weighted value			
EU- (Difference between total weighted inflows 19a and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU- (Excess inflows from a related specialised 19b credit institution)					-	-	-	-
20 Total cash inflows	4,722	4,691	4,340	4,323	3,653	3,478	2,996	2,938
EU- Fully exempt inflows								
20a	-	-	-	-	-	-	-	20
EU- Inflows subject to 90% cap								
20b	-	-	-	-	-	-	-	-
EU- Inflows subject to 75% cap								
20c	4,670	4,639	4,340	4,323	3,653	30,621	2,996	2,918
21 Liquidity buffer					33,772	30,621	28,972	28,883
22 Total net cash outflows					19,410	18,979	19,166	20,039
23 Liquidity coverage ratio (%)					177%	163%	155%	147%

The table provides an overview of the LCR during the first half of 2022. 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 2022 the LCR ratio amounted to 247% (31-12-2021: 173%), the NSFR ratio amounted to 126% (31-12-2021: 126%).

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

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 a number of issuance programmes that enable it to have access to funding at all times at competitive levels. The bank pursues proactive investor relations which support these efforts.

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

BNG Bank uses derivatives (interest rate swaps and cross currency swaps) to mitigate 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 historical approach.

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

Net Stable Funding Ratio (EU LIQ2)

30-6-2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
1	Capital items and instruments	4,013	-	309	-	4,013
2	- <i>Own funds</i>	4,013	-	309	-	4,013
3	- <i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits	-	-	-	-	-
5	- <i>Stable deposits</i>	-	-	-	-	-
6	- <i>Less stable deposits</i>	-	-	-	-	-
7	Wholesale funding:	-	20,196	16,390	88,398	98,907
8	- <i>Operational deposits</i>	-	-	-	-	-
9	- <i>Other wholesale funding</i>	-	20,196	16,390	88,398	98,907
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	-	453	-	-	-
12	- <i>NSFR derivative liabilities</i>	-	-	-	-	-
13	- <i>All other liabilities and capital instruments not included in the above categories</i>	-	453	-	-	-
14	Total available stable funding (ASF)					102,920

30-6-2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
15	Total high-quality liquid assets (HQLA)					916
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:		8,277	5,746	81,507	78,726
18	- <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	- <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		1,032	422	811	1,093
20	- <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		7,066	5,250	77,375	74,683
21	- <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		3,218	2,267	30,630	31,533
22	- <i>Performing residential mortgages, of which:</i>		-	-	-	-
23	- <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		-	-	-	-

30-6-2022

	Unweighted value by residual maturity			Weighted value	
	No maturity	< 6 months	6 months to < 1 year		≥ 1 year
24 <i>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</i>		179	74	3,321	2,949
25 Interdependent assets					
26 Other assets:		4,057	6,399	6,580	2,057
27 <i>Physical traded commodities</i>				-	-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	2,014	1,712
29 <i>NSFR derivative assets</i>		1,056			1,056
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>		5,307			265
31 <i>All other assets not included in the above categories</i>		-2,306	36	217	-977
32 Off-balance sheet items		73	37	2,353	157
33 Total RSF					81,856
34 Net Stable Funding Ratio (%)					125.73%

CREDIT QUALITY (ARTICLE 442)

Credit quality of forborne exposures (EU CQ1)

30-6-2022

	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 for-bearance measures		
		Of which: defaulted	Of which: impaired					
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	115	267	267	267	-2	-48	224	201
of which:								
- Central banks	-	-	-	-	-	-	-	-
- General governments	-	-	-	-	-	-	-	-
- Credit institutions	-	-	-	-	-	-	-	-
- Other financial corporations	11	-	-	-	-0	-	11	-
- Non-financial corporations	104	267	267	267	-2	-48	213	201
- Households	-	-	-	-	-	-	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	29	4	4	4	-	-	4	1
Total	144	271	271	271	-2	-48	228	202

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

31-12-2022

	Gross carrying amount/ nominal amount		Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non- performing exposures
		Of which: defaulted			
On balance sheet exposures	111,527	606	-226		-
Netherlands	99,243	606	-223		-
France	2,825	-	-0		-
United States	2,162	-	-0		-
United Kingdom	1,924	-	-2		-
Luxembourg	1,756	-	-0		-
Other countries	3,617	-	-1		-
Off balance sheet exposures	11,491	73		0	-
Belgium	46	-		0	
Germany	1	-		-	
United Kingdom	4	-		-	
Netherlands	10,955	73		0	
United States	484	-		-	
Other countries	-	-		-	
Total	123,018	679	-226	0	-

The table includes the total performing and non-performing exposure amounts based the top 5 countries, all other countries are stated under 'Other countries'.

Credit quality of loans and advances by industry (EU CQ5)

30-6-2022

	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	53	43	-34	-
Electricity, gas, steam and air conditioning supply	909	33	-10	-
Water supply	1,345	40	-0	-
Construction	1,055	95	-3	-
Wholesale and retail trade	63	-	-0	-
Transport and storage	758	-	-1	-
Accommodation and food service activities	0	-	-0	-
Information and communication	257	177	-140	-
Real estate activities	45,067	-	-2	-
Financial and insurance activities	412	2	-0	-
Professional, scientific and technical activities	595	136	-26	-
Administrative and support service activities	396	2	-1	-
Public administration and defense, compulsory social security	-	-	-	-
Education	19	-	-	-
Human health services and social work activities	2,656	60	-5	-
Arts, entertainment and recreation	71	-	-0	-
Other services	75	-	-0	-
Total	53,730	588	-223	-

The total NPL amounts to approximately 1.09% of the total performing and non-performing exposure amounts to non-financial corporations.

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

30-6-2021

31-12-2020

	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)

Continuation of previous page 30-6-2022	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			On performing exposures	On non-performing exposures
	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			
Credit institutions	1,868	1,785	-	-	-	-	-	-	-	-	-	-	1,225	-
Other financial corporations	5,264	5,213	52	-	-	-	-1	-	-1	-	-	-	246	-
Non-financial corporations	1,373	766	-	-	-	-	-	-	-	-	-	-	405	-
Off-balance- sheet exposures	11,418	11,332	86	73	-	73	-	-	-	-	-	-	1,911	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	4,094	4,094	-	-	-	-	-	-	-	-	-	-	57	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	1,097	1,093	4	3	-	3	-	0	-	-	-	-	515	-
Non-financial corporations	5,684	5,628	56	70	-	70	-	0	0	-	-	-	1,259	-
Households	543	518	26	-	-	-	-	0	0	-	-	-	79	-
Total	147,693	145,956	613	667	-	667	-16	-5	-11	-211	-	-211	56,753	325

Maturity of exposures (EU CR1-A)

30-6-2022

	Net exposure value					Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
Loans and advances	5,398	3,483	15,048	71,650	-	95,579
Debt securities	169	348	2,490	12,334	-	15,342
Total	5,567	3,832	17,538	83,984	-	110,921

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

	Unsecured carrying amount	Secured carrying amount			of which secured by credit derivatives
			of which secured by collateral	of which secured by financial guarantees	
30-6-2022					
Loans and advances	68,249	53,290	169	53,121	-
Debt Securities	13,465	1,877	-	1,877	-
Total	81,714	55,167	169	54,998	-
Of which non-performing exposures	281	325	-	325	-
- of which defaulted	281	325	-	325	-

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

	Exposures before CCF		Exposures post CCF and CRM		RWAs and RWA density	
	and CRM		On-balance	Off-balance	RWA	RWA density
	On-balance	Off-balance				
Central governments or central banks	28,809	0	77,928	2,006	-	0%
Regional governments or local authorities	32,330	3,721	35,683	1,625	59	0%
Public sector entities	2,873	345	2,677	68	361	13%
Multilateral Development Banks	139	-	139	-	-	0%
International Organisations	1,300	-	1,300	-	-	0%
Institutions	575	-	109	-	22	20%
Corporates	58,983	7,199	7,404	231	6,773	89%
Retail	-	-	-	-	-	0%
Secured by mortgages on immovable property	93	-	65	-	65	100%
Exposures in default	396	73	118	5	156	126%
Items associated with particularly high risk	-	-	-	-	-	0%
Covered bonds	1,308	-	1,308	-	131	10%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
Collective investments undertakings (CIU)	-	-	-	-	-	0%
Equity	24	-	24	-	24	100%
Other items	209	-	209	-	209	100%
Total	127,038	11,339	126,963	3,935	7,799	6%

Guarantees provided by governments, WSW and WfZ are an important part in the determination of the credit risk profile of BNG Bank. This results in a decline of 87% of the corporate exposures (post CCF and CRM). The table shows the effect of all CRM techniques. RWA density provides a synthetic metric on the portfolio that remains after the application of CRM techniques.

Standardised approach (EU CR5)

	Risk weight:										Of which: Total unrated	
	0%	2%	10%	20%	35%	50%	100%	150%	Others			
Central governments or central banks	79,934	-	-	-	-	-	-	-	-	-	79,934	79,934
Regional governments or local authorities	37,131	-	-	147	-	-	30	-	-	-	37,308	37,197
Public sector entities	939	-	-	1,806	-	-	-	-	-	-	2,745	2,745
Multilateral Development Banks	139	-	-	-	-	-	-	-	-	-	139	139
International Organisations	1,300	-	-	-	-	-	-	-	-	-	1,300	1,300
Institutions	-	-	-	109	-	-	-	-	-	-	109	-
Corporates	-	-	-	595	-	812	6,188	40	-	-	7,635	5,863
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	65	-	-	-	65	65
Exposures in default	-	-	-	-	-	-	59	65	-	-	123	123
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	1,308	-	-	-	-	-	-	-	1,308	-0
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Unit or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	24	-	-	-	24	24
Other items	0	-	-	-	-	-	209	-	-	-	209	0
Total credit risk exposure	119,442	-	1,308	2,657	-	812	6,574	105	-	-	130,898	127,389

COUNTERPARTY CREDIT RISK (ARTICLE 439 CRR)

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

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

30-6-2022

	Replacement cost (RC)	Potential future credit exposure (PFE)	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)	479	798	1.4	1,786	1,786	1,786	831
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)				1,819	111	111	22
VaR for SFTs				-	-	-	-
Total				3,605	1,897	1,897	853

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

30-6-2022	Exposure value	RWEA
Total transactions subject to the Advanced method	-	-
(i) VaR component (including the 3× multiplier)		-
(ii) stressed VaR component (including the 3× multiplier)		-
Transactions subject to the Standardised method	658	658
Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
Total transactions subject to own funds requirements for CVA risk	658	658

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

30-6-2022

	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Regional government or local authorities	212	-	-	-	-	-	-	-	-	-	-	212
Public sector entities	-	-	-	-	13	-	-	-	-	-	-	13
Institutions	-	133	-	-	748	286	-	-	-	-	-	1,167
Corporates	-	343	-	-	39	97	-	-	502	-	-	981
Total exposure value	212	476	-	-	800	383	-	-	502	-	-	2,373

Composition of collateral for counterparty credit risk (EU CCR5)

Collateral type	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	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	1,084	-	4,661	-	10	-	303
Cash – other currencies	-	-	-	0	-	-	-	-
Domestic sovereign debt	-	-	301	-	-	-	27	-
Other sovereign debt	-	-	1,295	-	-	-	21	861
Government agency debt	11	-	268	-	-	-	-	280
Corporate bonds	-	-	-	-	-	-	-	408
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	511	-	-	1,070	-	348
Total	11	1,084	2,375	4,661	-	1,080	48	2,200

Exposures to central counterparties (EU CCR8)

BNG Bank only has exposures with QCCPS, therefore items regarding exposures to non-QCCPS are not mentioned in the table below.

30-6-2022	Exposure value	RWEA
Exposures to QCCPS (total)	476	10
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	476	10
<i>(i) OTC derivatives</i>	428	9
<i>(ii) Exchange traded derivatives</i>	-	-
<i>(iii) SFT's</i>	48	1
<i>(iv) Netting sets where cross-product netting has been approved</i>	-	-
Segregated initial margin	-	-
Non-segregated initial margin	-	-
Prefunded default fund contributions	-	-
Unfunded default fund contributions	-	-

EXPOSURES TO SECURITISATION POSITIONS (ARTICLE 449 CRR)

With regard to securitisations BNG Bank only acting as investor. For the clarity of the tables below only the columns regarding 'acting as investor' are stated. Also, only the relevant regulatory approach are mentioned in table EU SEC4.

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

	Institution acts as investor			
	Traditional		Synthetic	Sub-total
	STS	non-STS		
Total exposures	3,559	1,471	-	5,030
Retail (total)	3,559	1,452	-	5,011
- residential mortgage	3,559	1,452	-	5,011
- 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	-	-	-	-

MARKET RISK (ARTICLE 445 CRR)

Market risk under the standardised approach (EU MR1)

	30-6-2022	31-12-2021
	RWEAs	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 2022 and 31 December 2021 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

The interest rate position of BNG Bank consists of the actively managed Treasury book and the passively managed ALCO book.


On the one hand, all interest rate positions of BNG Bank in the total banking book (IRRBB) are either directly hedged externally '1-on-1' (micro hedging) or transferred internally to the Treasury book (using internal interest rate swaps) and externally hedged on macro portfolio level. The interest rate risk position in the Treasury book is managed by the Treasury department. The Treasury department is authorized to operate (by means of executing mainly interest rate swaps) and hedge within a limited bandwidth by macro hedging, which allows among others efficient hedging and flexibility for clients. Both micro and macro hedging is conducted on accrual basis. All non-EUR cash flows are cash flow hedged. It should be noted that embedded options are hedged, conform to the policy of the bank.

On the other hand, the interest rate position in the ALCO book is passive as it replicates a benchmark which is derived from the bank's required return of equity (being the 10-year moving average of Dutch State Loan 10 year yield + 200bps).

The bank has adopted two methodologies to manage its IRRBB risks. The internal IRRBB approach is mainly based on the view that includes own equity, where no IRRBB risk is assumed from the ALCO book if its IRRBB profile is equal to the IRRBB profile of the required return. This explains why in the internal approach the 'Treasury Book' represents the active IRRBB position of BNG Bank, regarding economic value of equity (EVE). The monitoring of the interest rate position of the ALCO book in that respect is for information purposes only. In addition, the bank excludes its equity when applying the Outlier Criterion calculation.

With respect to scenario analyses, BNG Bank considers both the Net Interest Income (NII) and the Economic Value of Equity (EVE) perspectives. The NII methodology conducts calculations based on all books and portfolios, as a static balance sheet assumption is implemented. The NII functionality is able to apply a dynamic balance sheet, but the parameters are set to have a static balance sheet. Regarding implied zero percent floors, this is relevant for investments in residential mortgage-backed securities and for some Design Build Finance Maintain Operate contracts (DBFMO) and is therefore taken into account. Parallel interest-rate shocks are applied in accordance with regulatory requirements and include an instantaneous shock (-/+ 200bps) without an interest rate floor. Furthermore, BNG bank uses several (internal) shock scenarios, both gradual and instantaneous, to estimate the NII.

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 EVE shocks of the banking book is based on the ALCO and Treasury Book, which includes interest rate swap transactions and internal swaps representing the IRRBB position of assets and liabilities in the banking book (e.g. margin book). The bank uses a multicurve setup for calculating the present values as well as for the full revaluation of the products under the given shocks. Non maturity deposits (NMDs), which include current accounts, collateral deposits and an ECB account have short-term repricing dates (shorter than one year, and predominantly shorter than one month) and therefore 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).

The bank monitors the interest rate risk and its impact on positions and movements on a daily basis, which includes the EVE impact of the supervisory standard, internal shock scenario and corresponding limits. In addition, the actual positions and sensitivities are measured against limits, targets or early warnings. The NII impact of the supervisory standard and internal shock scenario is calculated and reported on a monthly basis.

The overall sensitivity of our NII and EVE is limited and well within our risk appetite. Furthermore, we comply with the outlier criterium.

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

	Changes of the economic value of equity		Changes of the net interest income	
	30-6-2022	31-12-2021	30-6-2022	31-12-2021
Parallel up	-316	-421	-56	60
Parallel down	157	180	78	119
Steeper	-75	-76		
Flattener	26	12		
Short rates up	-74	-119		
Short rates down	73	107		

Please note that the results for up and down scenario are not symmetric due to the following reasons. For 'Changes of the economic value of equity', the main reasons are convexity (second order effects) and the floor in the scenarios. For 'Changes of the net interest income' the main reasons are the floored floating assets and the participation in TLTRO.

