BNG Bank N.V.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+
Support Rating	1
Support Rating Floor	AAA

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

BNG Bank N.V.

	31 Dec 18	31 Dec 17
Total assets (USDbn)	157.5	167.9
Total assets (EURbn)	137.5	140.0
Total equity (EURbn)	4.3	4.2
Net income (EURm)	337	393
Operating ROAA (%)	0.3	0.4
Operating ROAE (%)	11.0	13.3
Common equity tier 1 capital ratio (%)	32.1	30.4
Equity/total assets	3.1	3.0
Basel leverage ratio	3.8	3.5

Source: Fitch Ratings, Fitch Solutions

Related Research

Netherlands (May 2019)

Analysts

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Key Rating Drivers

Support Drives Ratings: The ratings of BNG Bank N.V. reflect Fitch Ratings' view that there is an extremely high probability that the Netherlands will support the bank, if needed. Fitch continues to factor in state support for BNG Bank despite the implementation of the EU's Bank Recovery and Resolution Directive (BRRD). This expectation is based on BNG Bank's state ownership and its long-lasting policy role in financing the Dutch public sector.

Resolution Strategy Finalised: Finalisation of BNG Bank's resolution strategy and the approval by the Single Resolution Board (SRB) of a simplified obligations plan for the bank in February 2019 reduced the risk of losses for senior creditors in a resolution, in our view. This is because it substantially reduced the risk of resolution being triggered.

Fitch believes that the SRB would not be incentivised to take resolution action if it is clear that the Dutch state, in its capacity as shareholder, is willing to inject capital into the bank. We believe this is demonstrated by clarity over the preferred course of action in the unlikely case that BNG Bank is failing or likely to fail, and the absence of a requirement to hold bail-in-able debt.

Pre-Emptive Support Highly Likely: Fitch believes that the state would act pre-emptively to replenish BNG Bank's capital levels, in needed, due to the dependence of the bank's business model on wholesale funding and, hence, investor confidence. Fitch believes it is highly likely that support from BNG Bank's public owners would be arranged, if needed, in accordance with the private investor test as part of state aid considerations.

Full Public Ownership: BNG Bank's full public ownership is long term and strategic. Half of its capital has been held by the Dutch state since 1921, with the other half controlled by the Dutch provinces and local authorities. BNG Bank's articles of association prevent private ownership.

Clear Policy Role: BNG Bank is one of two Dutch policy banks whose clear, strategic and long-established roles have been to provide banking services to public authorities. We believe it would be difficult to transfer this role to commercial banks given the low yield and long maturity of the assets generated by the business model. In our view, the absence of an explicit funding guarantee from the Netherlands and of a special legal status, which would legally bind the state to support BNG Bank, is largely offset by the bank's policy role and public ownership.

Low-Risk Operations: The operations of BNG Bank are solely determined by its policy role, its strategy is framed by the bank's articles of association and its franchise largely dependent on its public ownership. The extremely low-risk nature of BNG Bank's assets, the bank's solid risk-weighted capital ratios and prudent liquidity management make it highly unlikely that extraordinary support will ever be required.

Rating Sensitivities

Sovereign Rating, Resolution Approach: The ratings are sensitive to changes in the Netherlands' ability to provide support as reflected in the sovereign ratings. Changes to the resolution approach are a key rating sensitivity, in particular should they imply that BNG Bank will be resolved with the use of the bail-in tool. Weakening of BNG Bank's strategic importance to the Dutch state or ownership, or deviation from its narrowly defined domestic policy role would also be rating-negative.

Support

In Fitch's view, legislative, regulatory and policy initiatives, including the implementation of the BRRD, have substantially reduced the likelihood of sovereign support for EU commercial banks in general. Fitch will, however, continue to factor in Dutch state support into BNG Bank's ratings given the specific nature of BNG Bank's business and status.

Fitch believes that the Dutch state will act pre-emptively to maintain BNG Bank's viability. In addition, banks are required under BRRD to draw up recovery plans prior to resolution. On the basis of a recovery plan, the relevant resolution authority will draw up a resolution plan. The SRB, a central body, ensures centralised management of the resolution of 'significant banks', including BNG Bank. It makes a resolvability assessment of each bank to evaluate the extent to which a bank is resolvable without public support or central bank liquidity assistance.

Resolution action requires all the following conditions to be met: the institution is failing or likely to fail; failure could not be avoided by a private solution or a supervisory action within reasonable framework; and a resolution is necessary in the public interest to prevent insolvency. If these conditions are met, the SRB would place the entity concerned under resolution and adopt a solution scheme involving resolution measures. Where the bail-in tool is applied as part of a resolution scheme, a minimum level of losses equivalent to 8% of the total liabilities (including own funds) must be imposed on a bank before access can be granted to a resolution fund. At this stage, if resolution has been triggered, senior unsecured creditors may have to share losses.

When the three conditions above that are required to trigger resolution are being considered, public shareholders of a bank may decide to protect their investment. They may do this by taking all necessary measures to restore capitalisation to ensure that the bank they own does not fail. We believe that for BNG Bank, such measures would qualify as "private-sector solution". However, since the shareholders of BNG Bank are public-sector entities, any recapitalisation must be compliant with EU state-aid rules.

Under the EU state-aid rules, public support does not qualify as state aid if the investments by the state in a company do not confer an advantage to the company. This would be the case when the state acts in market conditions in the same way as a private investor would do. This principle is commonly referred to as the "market economy operator test".

The BRRD and the Single Resolution Mechanism do not restrict shareholders' ability to carry out a capital injection under market conforming conditions to protect their investment in a strategic, long-term and viable institution that has yielded healthy returns in the past. The implementation of BRRD into Dutch law also does not include any specific provisions on the treatment of public banks. This could suggest that the Dutch authorities are confident that the BRRD provides sufficient flexibility for public shareholders to inject funds into public banks to address any capital shortfalls.

On 27 February 2019, the SRB announced that simplified obligations apply in the case of BNG Bank. Under simplified obligations, the preferred course of action for BNG Bank in the event that it is failing or likely to fail and failure cannot be avoided by a private solution, is insolvency under national law. The SRB also did not set any explicit minimum requirement for own funds and eligible liabilities (MREL) or require BNG Bank to build a buffer of bail-in-able debt. We believe that the adoption of a formal plan that does not involve the use of a bail-in tool reduces the likelihood that BNG Bank's senior unsecured creditors will suffer losses because it reduces the risk that the state is prevented from providing support to the bank in a timely manner.

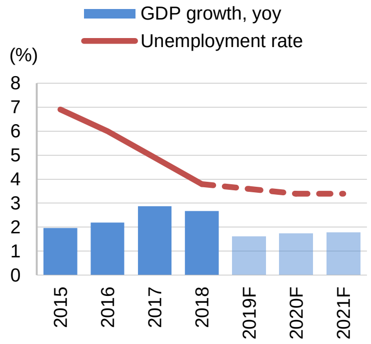
According to the Single Resolution Mechanism Regulation, when considering whether resolution is necessary in the public interest to prevent insolvency, the resolution authorities need to consider whether or not insolvency would present a threat to financial stability, among

Related Criteria

Bank Rating Criteria (October 2018)

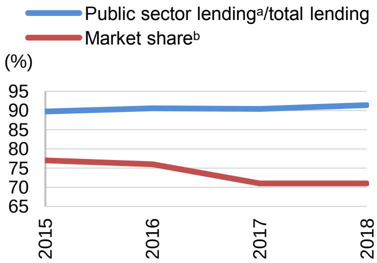
Short-Term Ratings Criteria (May 2019)

Dutch Economy



Source: Fitch Ratings

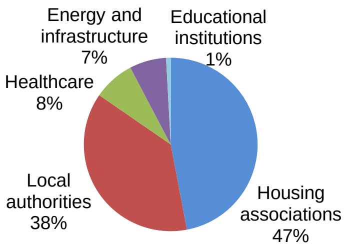
BNG Bank's Public Sector Focus



[a] Granted to/guaranteed by public authorities
[b] In zero risk-weighted long-term lending to core clients
Source: Fitch Ratings, BNG Bank

New Long-Term Lending by Segment

EUR11.6bn in 2018



May not add up to 100% due to rounding
Source: Fitch Ratings, BNG Bank

other factors. The adoption of a simplified obligations plan for BNG Bank, in our view, means that the resolution authorities do not consider the insolvency of BNG Bank to be a threat to financial stability, for example, due to its specific business model and Dutch public-sector focus.

As a result, we believe that resolution authorities may not be incentivised to intervene and take resolution action if it is clear that the Dutch state, in its capacity as BNG Bank's shareholder, is willing to inject capital even if this may operationally take time. The latter could occur, for example, because a capital injection needs to go through a political approval process in the Netherlands or be approved for compliance with EU state-aid rules.

Operating Environment

BNG Bank operates almost exclusively in the Netherlands and its performance is, therefore, dependant on the health of the Dutch economy. The 'AAA' sovereign rating has been recently affirmed with a Stable Outlook. The country benefits from a high degree of financing flexibility due to its status as a core eurozone country. It is an advanced and stable economy, with a high degree of transparency and resilience to economic shocks, deep capital markets and a high position on the World Bank's Ease of Doing Business ranking.

The Dutch banking sector is highly concentrated. Barriers to enter BNG Bank's core business of lending to local authorities are very high given the extremely low funding costs and the expertise required. BNG Bank has been able to access various capital markets internationally as a result of its close relationship with the Dutch state.

Fitch believes that the Dutch regulatory environment is developed and transparent, and that legislation and regulation are enforced effectively. From November 2014, BNG Bank has been supervised by the ECB under the Single Supervisory Mechanism. It is also designated as a domestic systemically important bank by the Dutch central bank and is subject to a 1% systemic importance capital add-on.

Company Profile

BNG Bank has a long tradition of providing the Dutch public sector with low-cost funding, with the aim of minimising the cost of social provision. The bank is owned by the Dutch state (50%) and related public-sector entities (50% by a combination of Dutch provinces and municipalities) and its articles of association forbid non-public, commercial ownership. Government involvement in the bank is substantial, although no explicit guarantee exists between the Dutch state and BNG Bank. We expect the Dutch government to maintain its shareholding.

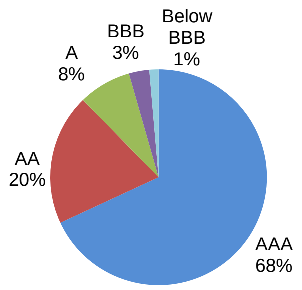
The customer base consists almost entirely of Dutch local authorities, public-sector utilities and entities involved in social housing, healthcare provision, education and infrastructure projects. BNG Bank also offers several other services including co-investing in area development, payment services and electronic banking facilities. The bank is involved in a small number of public-private partnerships, some internationally, and also provides refinancing to banks under the Dutch export credit guarantee scheme.

BNG Bank is the larger of the two Dutch banks with a clear policy role of financing public-sector entities. Fitch believes that the Dutch authorities have no intention to merge these two entities as potential cost synergies would be limited. The narrow lending margins that require very low cost of funding make the business economically unattractive for a commercial bank. In 2018, BNG Bank enjoyed a 71% market share in zero risk-weighted long-term lending to the public sector, housing associations and healthcare institutions.

Management and Strategy

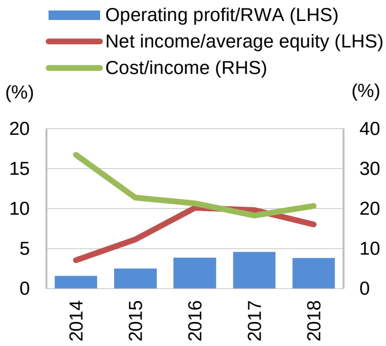
BNG Bank is a statutory two-tier company under Dutch law. Daily management of the bank is undertaken by a three-member executive board. The Dutch government is not involved in day-to-day management or oversight of the bank. However, several supervisory board members

Securities Portfolio
EUR18bn at end-2018



Source: Fitch Ratings, BNG Bank

Profitability Metrics



Source: Fitch Ratings, BNG Bank

are either representatives of the municipalities or former government officials. Senior management turnover has been low. In January 2018, the bank's chief executive retired after 10 years in the role and a replacement was appointed who had held several senior positions within the Dutch Ministry of Finance.

BNG Bank's main strategic objectives are to retain a substantial market share in the Dutch public- and semi-public-sector long-term zero risk-weighted financing (over 55% in 2019 and beyond) and at least 90% of its loans need to qualify as promotional. The bank also aims to grow its loan book relative to 2018, and increase lending for sustainable projects. BNG Bank has a return on equity target set by the Ministry of Finance but it is not onerous at 3.7% for 2019 (4.1% for 2018), reflecting the bank's asset mix and policy role. Management has generally met most of the financial and business objectives.

Risk Appetite

BNG Bank's very low appetite for credit risk follows from its policy role. At end-2018, 91% of total loans were zero risk-weighted (solvency-free) as they were extended either to the Dutch public-sector bodies or benefitted from the state's guarantee. Non-solvency-free loans are mostly extended to public utilities, housing associations and healthcare institutions. Non-guaranteed exposures are permitted if they are sufficiently focused on the public sector. The bank predominantly lends to Dutch entities. Foreign exposure is mostly in the form of interest-bearing securities. The limit on total long-term foreign exposure, excluding derivatives and collateral, is a moderate 15% of total assets (actual exposure was below 8% at end-2018).

The bank's market-risk exposure is low. BNG Bank aims to hedge most of its interest-rate risk stemming from its typically long-term loan book. At end-2018, the impact on earnings from a minus 180bp gradual parallel shift of the interest-rate curve would have been a low EUR24 million negative on the one-year and EUR84 million negative on the two-year horizons. Foreign-currency risk arises from substantial funding in foreign currency, while lending is exclusively in euros. The risk is fully hedged through swaps.

Financial Profile

Asset Quality

BNG Bank's asset quality is strong owing to its low-risk appetite. Impaired loans represented just 0.07% of gross loans at end-2018. Impairment charges are small and infrequent. The vast majority of loans are extended either to government bodies or to housing associations under the Dutch social housing fund guarantee, ultimately backed by the central government.

The securities portfolio is low risk and almost exclusively investment grade. Exposure to peripheral eurozone countries was material at EUR1.4 billion at end-2018 (nominal value; around a third of equity) but is being gradually run down (end-2017: EUR1.8 billion).

Earnings and Profitability

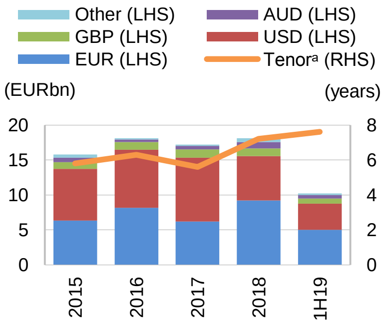
BNG Bank's revenue is driven by net interest income. As a reflection of its low-risk business model, the bank's net interest margin has been quite narrow at 30bp-40bp, but stable. BNG Bank has an exceptionally low cost of funding due to its close relationship and association with the state. Fitch believes that the bank's business model would hardly be viable otherwise.

BNG Bank has reported a consistent performance in recent years with the exception of 2014, when its bottom line was affected by a EUR189 million unrealised valuation loss on several long-term inflation-linked securities and related hedges. Fitch expects profitability to remain broadly stable, although it will continue to suffer from low interest rates. Operating efficiency is very strong due to limited staff and a lack of branches. We expect BNG Bank's efficiency to remain sound, although increased reporting and other regulatory requirements may put some pressure on costs. The bank's net profit of EUR393 million in 2017 and EUR337 million in 2018 benefitted from a large positive result on financial transactions (EUR181 million in 2017, EUR112 million in 2018).

Capitalisation and Leverage

BNG Bank reports solid risk-weighted regulatory capital ratios (fully loaded common equity Tier 1 (CET1) ratio of 32.1% at end-2018) as it benefits from low risk-weightings on its large public-sector lending. As of end-2016, the bank complies with the minimum regulatory leverage ratio of 3% owing to profit retention and issuance of additional Tier 1 instruments subscribed to by the Dutch provinces (in total EUR733 million additional Tier 1: EUR424 million in 2014 and EUR309 million in 2016). The Basel leverage ratio increased to 3.8% at end-2018. BNG Bank targets a CET1 ratio above 24% and a leverage ratio above 3.4%. Changes to EU's Capital Requirement Regulation, which will become effective in 2021, will result in the exclusion of promotional loans from the leverage exposure measure. This will have a significant positive effect on BNG Bank's leverage ratio since most of its loans qualify as promotional.

Raised Funding by Currency



[a] Weighted average
Source: Fitch Ratings, BNG Bank

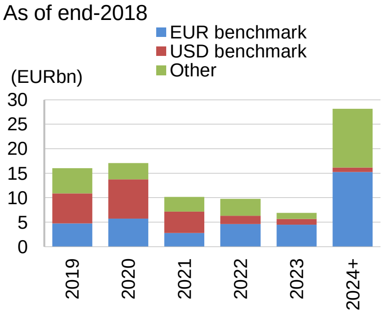
From 2018, the bank has increased its dividend payout ratio to its historical level of 50%. The payout ratio was reduced to 25% in 2011-2016 and 37.5% in 2017 to build the leverage ratio.

BNG Bank reported that the impact from the first-time adoption of IFRS 9 was a reduction of equity of EUR271 million. However, it had a limited effect on the regulatory capital and leverage ratios (0.9pt on the CET1 ratio) as most of the impact related to the reduction in the cash flow reserve, which is not part of capital calculation for regulatory purposes.

Fitch believes that Basel III end-game proposals, which will introduce stricter risk-weighting for certain asset classes and limit the use of internal models by banks, are only likely to have a limited effect on BNG Bank's capital ratios. This is because the bank uses the standardised approach for calculating risk-weights.

Wholesale Funding Maturity Profile

As of end-2018



Source: Fitch Ratings, BNG Bank

Funding and Liquidity

BNG Bank is highly reliant on wholesale funding but has maintained access to the capital markets through the cycle, most likely owing to its special links to the state and consequently high ratings. The bank strives to diversify its investor base and lower the cost of funding by actively issuing internationally and in various currencies (only around 50% of long-term debt issuance in 2018-1H19 was denominated in euros). BNG Bank's debt issues qualify in the EU as Level 1 (highest-quality) liquid assets for the purposes of calculating the liquidity coverage ratio (LCR). BNG Bank does not gather retail deposits or issue secured debt.

Refinancing risk is also mitigated by prudent liquidity management. In addition to annual refinancing needs of about EUR15 billion, the bank's liquidity is sensitive to market movements as it may be required to post additional cash collateral on derivatives used to hedge market risk. At end-2018, liquid assets comprising cash and highly liquid securities totalled EUR13 billion. Additionally, BNG Bank could use its entire solvency-free loan portfolio as collateral to obtain funding from the ECB, if needed. The bank had a strong LCR of 175% and a net stable funding ratio of 133% at end-2018.

Debt Ratings

BNG Bank's senior debt is rated in line with the bank's IDRs.

BNG Bank N.V.
Income Statement

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm Audited - Unqualified	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	2,582.9	2,255.0	1.66	2,325.0	1.70	2,495.0	1.69	2,688.0	1.84
2. Other Interest Income	3,968.8	3,465.0	2.55	3,580.0	2.61	3,631.0	2.46	3,590.0	2.45
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**6,551.7**	**5,720.0**	**4.21**	**5,905.0**	**4.31**	**6,126.0**	**4.15**	**6,278.0**	**4.29**
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	128.0	0.09	111.0	0.08	84.0	0.06
6. Other Interest Expense	6,054.6	5,286.0	3.89	5,342.0	3.90	5,610.0	3.80	5,744.0	3.93
7. Total Interest Expense	**6,054.6**	**5,286.0**	**3.89**	**5,470.0**	**3.99**	**5,721.0**	**3.88**	**5,828.0**	**3.98**
8. Net Interest Income	**497.1**	**434.0**	**0.32**	**435.0**	**0.32**	**405.0**	**0.27**	**450.0**	**0.31**
9. Net Fees and Commissions	32.1	28.0	0.02	23.0	0.02	24.0	0.02	28.0	0.02
10. Net Gains (Losses) on Trading and Derivatives	29.8	26.0	0.02	58.0	0.04	26.0	0.02	32.0	0.02
11. Net Gains (Losses) on Assets and Liabilities at FV	10.3	9.0	0.01	44.0	0.03	47.0	0.03	(93.0)	(0.06)
12. Net Gains (Losses) on Other Securities	88.2	77.0	0.06	79.0	0.06	45.0	0.03	77.0	0.05
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	2.3	2.0	0.00	2.0	0.00	3.0	0.00	3.0	0.00
15. Total Non-Interest Operating Income	**162.6**	**142.0**	**0.10**	**206.0**	**0.15**	**145.0**	**0.10**	**47.0**	**0.03**
16. Total Operating Income	**659.8**	**576.0**	**0.42**	**641.0**	**0.47**	**550.0**	**0.37**	**497.0**	**0.34**
17. Personnel Expenses	45.8	40.0	0.03	44.0	0.03	38.0	0.03	38.0	0.03
18. Other Operating Expenses	90.5	79.0	0.06	73.0	0.05	79.0	0.05	75.0	0.05
19. Total Non-Interest Expenses	**136.3**	**119.0**	**0.09**	**117.0**	**0.09**	**117.0**	**0.08**	**113.0**	**0.08**
20. Equity-accounted Profit/ Loss - Operating	4.6	4.0	0.00	2.0	0.00	4.0	0.00	2.0	0.00
21. Pre-Impairment Operating Profit	**528.0**	**461.0**	**0.34**	**526.0**	**0.38**	**437.0**	**0.30**	**386.0**	**0.26**
22. Loan Impairment Charge	(2.3)	(2.0)	(0.00)	(4.0)	(0.00)	(4.0)	(0.00)	1.0	0.00
23. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	(3.0)	(0.00)	(35.0)	(0.02)	63.0	0.04
24. Operating Profit	**530.3**	**463.0**	**0.34**	**533.0**	**0.39**	**476.0**	**0.32**	**322.0**	**0.22**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	1.1	1.0	0.00	4.0	0.00	35.0	0.02	n.a.	-
28. Non-recurring Expense	5.7	5.0	0.00	1.0	0.00	8.0	0.01	8.0	0.01
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	**525.7**	**459.0**	**0.34**	**536.0**	**0.39**	**503.0**	**0.34**	**314.0**	**0.21**
32. Tax expense	139.7	122.0	0.09	143.0	0.10	134.0	0.09	88.0	0.06
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**386.0**	**337.0**	**0.25**	**393.0**	**0.29**	**369.0**	**0.25**	**226.0**	**0.15**
35. Change in Value of AFS Investments	(73.3)	(64.0)	(0.05)	8.0	0.01	(69.0)	(0.05)	86.0	0.06
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Remaining OCI Gains/(losses)	218.8	191.0	0.14	175.0	0.13	(224.0)	(0.15)	(124.0)	(0.08)
39. Fitch Comprehensive Income	**531.5**	**464.0**	**0.34**	**576.0**	**0.42**	**76.0**	**0.05**	**188.0**	**0.13**
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Net Income after Allocation to Non-controlling Interests	386.0	337.0	0.25	393.0	0.29	369.0	0.25	226.0	0.15
42. Memo: Common Dividends Relating to the Period	182.1	159.0	0.12	141.0	0.10	91.0	0.06	57.0	0.04
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	21.8	19.0	0.01	18.0	0.01	4.0	0.00	n.a.	-
Exchange rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

BNG Bank N.V.
Balance Sheet

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	97,607.6	85,217.0	61.97	86,042.0	61.45	87,618.0	56.89	88,914.0	59.47
6. Less: Loan Loss Allowances	53.8	47.0	0.03	34.0	0.02	42.0	0.03	49.0	0.03
7. Net Loans	**97,553.8**	**85,170.0**	**61.94**	**86,008.0**	**61.42**	**87,576.0**	**56.87**	**88,865.0**	**59.44**
8. Gross Loans	**97,607.6**	**85,217.0**	**61.97**	**86,042.0**	**61.45**	**87,618.0**	**56.89**	**88,914.0**	**59.47**
9. Memo: Impaired Loans included above	65.3	57.0	0.04	43.0	0.03	145.0	0.09	145.0	0.10
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	93.9	82.0	0.06	105.0	0.07	254.0	0.16	499.0	0.33
2. Reverse Repos and Securities Borrowing	13,794.1	12,043.0	8.76	13,892.0	9.92	11,541.0	7.49	10,542.0	7.05
3. Derivatives	22,857.6	19,956.0	14.51	20,795.0	14.85	30,306.0	19.68	29,929.0	20.02
4. Trading Securities and at FV through Income	1,683.7	1,470.0	1.07	2,006.0	1.43	2,350.0	1.53	2,884.0	1.93
5. Securities at FV through OCI / Available for Sale	11,050.8	9,648.0	7.02	14,140.0	10.10	15,437.0	10.02	13,459.0	9.00
6. Securities at Amortised Cost / Held to Maturity	8,482.8	7,406.0	5.39	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	**21,217.4**	**18,524.0**	**13.47**	**16,146.0**	**11.53**	**17,787.0**	**11.55**	**16,343.0**	**10.93**
9. Memo: Government Securities included Above	9,951.2	8,688.0	6.32	8,327.0	5.95	9,472.0	6.15	9,508.0	6.36
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	50.4	44.0	0.03	47.0	0.03	46.0	0.03	47.0	0.03
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	68.0	0.05
15. Total Earning Assets	**155,567.2**	**135,819.0**	**98.77**	**136,993.0**	**97.83**	**147,510.0**	**95.79**	**146,293.0**	**97.85**
C. Non-Earning Assets									
1. Cash and Due From Banks	1,817.8	1,587.0	1.15	2,996.0	2.14	6,417.0	4.17	3,175.0	2.12
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	19.5	17.0	0.01	17.0	0.01	17.0	0.01	16.0	0.01
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Current Tax Assets	8.0	7.0	0.01	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	90.5	79.0	0.06	19.0	0.01	56.0	0.04	27.0	0.02
11. Total Assets	**157,502.9**	**137,509.0**	**100.00**	**140,025.0**	**100.00**	**154,000.0**	**100.00**	**149,511.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	6,643.3	5,800.0	4.22	5,417.0	3.87	7,479.0	4.86	6,794.0	4.54
2. Deposits from Banks	2,729.5	2,383.0	1.73	2,079.0	1.48	1,832.0	1.19	1,282.0	0.86
3. Repos and Securities Lending	479.9	419.0	0.30	369.0	0.26	1,776.0	1.15	1,761.0	1.18
4. Commercial Paper and Short-term Borrowings	6,097.0	5,323.0	3.87	9,203.0	6.57	14,297.0	9.28	13,341.0	8.92
5. Customer Deposits and Short-term Funding	**15,949.7**	**13,925.0**	**10.13**	**17,068.0**	**12.19**	**25,384.0**	**16.48**	**23,178.0**	**15.50**
6. Senior Unsecured Debt	112,706.3	98,399.0	71.56	94,924.0	67.79	97,883.0	63.56	96,782.0	64.73
7. Subordinated Borrowing	36.7	32.0	0.02	31.0	0.02	31.0	0.02	31.0	0.02
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	**112,742.9**	**98,431.0**	**71.58**	**94,955.0**	**67.81**	**97,914.0**	**63.58**	**96,813.0**	**64.75**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	872.8	762.0	0.55	944.0	0.67	1,190.0	0.77	1,788.0	1.20
13. Total Funding	**129,565.4**	**113,118.0**	**82.26**	**112,967.0**	**80.68**	**124,488.0**	**80.84**	**121,779.0**	**81.45**
14. Derivatives	22,018.0	19,223.0	13.98	21,870.0	15.62	24,780.0	16.09	23,261.0	15.56
15. Total Funding and Derivatives	**151,583.5**	**132,341.0**	**96.24**	**134,837.0**	**96.29**	**149,268.0**	**96.93**	**145,040.0**	**97.01**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	2.3	2.0	0.00	2.0	0.00	3.0	0.00	2.0	0.00
4. Current Tax Liabilities	0.0	0.0	0.00	17.0	0.01	31.0	0.02	16.0	0.01
5. Deferred Tax Liabilities	113.4	99.0	0.07	173.0	0.12	116.0	0.08	206.0	0.14
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	87.1	76.0	0.06	43.0	0.03	96.0	0.06	84.0	0.06
10. Total Liabilities	**151,786.2**	**132,518.0**	**96.37**	**135,072.0**	**96.46**	**149,514.0**	**97.09**	**145,348.0**	**97.22**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	839.6	733.0	0.53	733.0	0.52	733.0	0.48	424.0	0.28
G. Equity									
1. Common Equity	4,468.2	3,901.0	2.84	3,759.0	2.68	3,475.0	2.26	3,168.0	2.12
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	143.2	125.0	0.09	268.0	0.19	275.0	0.18	320.0	0.21
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	265.7	232.0	0.17	193.0	0.14	3.0	0.00	251.0	0.17
6. Total Equity	**4,877.1**	**4,258.0**	**3.10**	**4,220.0**	**3.01**	**3,753.0**	**2.44**	**3,739.0**	**2.50**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	5,716.7	4,991.0	3.63	4,953.0	3.54	4,486.0	2.91	4,163.0	2.78
8. Total Liabilities and Equity	**157,502.9**	**137,509.0**	**100.00**	**140,025.0**	**100.00**	**154,000.0**	**100.00**	**149,511.0**	**100.00**
9. Memo: Fitch Core Capital	4,863.4	4,246.0	3.09	4,209.0	3.01	3,729.0	2.42	3,739.0	2.50
Exchange rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

BNG Bank N.V.
Summary Analytics

	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	4.20	4.18	4.06	4.23
2. Interest Income on Loans/ Average Gross Loans	2.65	2.69	2.82	2.98
3. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	1.96	1.58	0.95
4. Interest Expense/ Average Interest-bearing Liabilities	3.91	3.86	3.78	3.94
5. Net Interest Income/ Average Earning Assets	0.32	0.31	0.27	0.30
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.32	0.31	0.27	0.30
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	0.31	0.29	0.27	0.30
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	3.83	4.58	3.86	2.52
2. Non-Interest Expense/ Gross Revenues	20.66	18.25	21.27	22.74
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	(0.43)	(1.33)	(8.92)	16.58
4. Operating Profit/ Average Total Assets	0.33	0.36	0.31	0.21
5. Non-Interest Income/ Gross Revenues	24.65	32.14	26.36	9.46
6. Non-Interest Expense/ Average Total Assets	0.08	0.08	0.08	0.07
7. Pre-impairment Op. Profit/ Average Equity	10.96	13.14	11.95	10.49
8. Pre-impairment Op. Profit/ Average Total Assets	0.33	0.36	0.28	0.25
9. Operating Profit/ Average Equity	11.01	13.32	13.01	8.75
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	8.01	9.82	10.09	6.14
2. Net Income/ Average Total Assets	0.24	0.27	0.24	0.15
3. Fitch Comprehensive Income/ Average Total Equity	11.03	14.39	2.08	5.11
4. Fitch Comprehensive Income/ Average Total Assets	0.33	0.39	0.05	0.12
5. Taxes/ Pre-tax Profit	26.58	26.68	26.64	28.03
6. Net Income/ Risk Weighted Assets	2.79	3.38	2.99	1.77
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	35.10	36.16	30.25	29.22
2. Tangible Common Equity/ Tangible Assets	3.10	3.01	2.44	2.50
3. Equity/ Total Assets	3.10	3.01	2.44	2.50
4. Basel Leverage Ratio	3.80	3.50	3.00	2.60
5. Common Equity Tier 1 Capital Ratio	32.10	30.40	26.00	23.30
6. Fully Loaded Common Equity Tier 1 Capital Ratio	32.10	31.00	27.00	25.00
7. Tier 1 Capital Ratio	38.10	37.00	32.00	26.70
8. Total Capital Ratio	38.10	37.00	32.00	26.70
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	0.24	0.21	2.76	2.57
10. Impaired Loans less Loan Loss Allowances/ Equity	0.23	0.21	2.74	2.57
11. Cash Dividends Paid & Declared/ Net Income	52.82	40.46	25.75	25.22
12. Risk Weighted Assets/ Total Assets	8.80	8.31	8.01	8.56
E. Loan Quality				
1. Impaired Loans/ Gross Loans	0.07	0.05	0.17	0.16
2. Growth of Gross Loans	(0.96)	(1.80)	(1.46)	(1.52)
3. Loan Loss Allowances/ Impaired Loans	82.46	79.07	28.97	33.79
4. Loan Impairment Charges/ Average Gross Loans	0.00	0.00	0.00	0.00
5. Growth of Total Assets	(1.80)	(9.07)	3.00	(2.60)
6. Loan Loss Allowances/ Gross Loans	0.06	0.04	0.05	0.06
7. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.07	0.05	0.17	0.16
F. Funding and Liquidity				
1. Loans/ Customer Deposits	1,469.26	1,588.37	1,171.52	1,308.71
2. Liquidity Coverage Ratio	175.00	207.00	173.00	171.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	5.09	4.76	5.97	5.56
4. Interbank Assets/ Interbank Liabilities	3.44	5.05	13.86	38.92
5. Net Stable Funding Ratio	133.00	130.00	130.00	120.00
6. Growth of Total Customer Deposits	7.07	(27.57)	10.08	(44.92)

BNG Bank N.V.
Reference Data

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	15,662.2	13,674.0	9.94	12,704.0	9.07	13,901.0	9.03	6,415.0	4.29
6. Other Contingent Liabilities	36.7	32.0	0.02	78.0	0.06	105.0	0.07	99.0	0.07
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
1. Average Loans	97,601.9	85,212.0	61.97	86,527.7	61.79	88,442.3	57.43	90,109.0	60.27
2. Average Earning Assets	155,844.3	136,061.0	98.95	141,361.0	100.95	150,944.3	98.02	148,505.3	99.33
3. Average Total Assets	160,993.7	140,556.7	102.22	146,788.3	104.83	155,655.7	101.08	152,207.7	101.80
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	154,991.0	135,316.0	98.41	141,818.0	101.28	151,231.3	98.20	148,062.0	99.03
6. Average Common equity	4,436.9	3,873.7	2.82	3,614.0	2.58	3,292.0	2.14	3,182.0	2.13
7. Average Equity	4,818.7	4,207.0	3.06	4,001.7	2.86	3,657.7	2.38	3,678.7	2.46
8. Average Customer Deposits	6,692.2	5,842.7	4.25	6,531.6	4.66	7,011.7	4.55	8,829.0	5.91
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	7,012.0	5.01	7,731.0	5.02	6,825.0	4.56
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	9,404.0	6.72	8,875.0	5.76	10,523.0	7.04
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	33,135.0	23.66	33,599.0	21.82	34,130.0	22.83
Loans & Advances > 5 years	n.a.	n.a.	-	36,457.0	26.04	37,371.0	24.27	37,387.0	25.01
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	14.9	13.0	0.01	4.0	0.00	122.0	0.08	51.0	0.03
Loans & Advances to Banks 3 - 12 Months	10.3	9.0	0.01	73.0	0.05	30.0	0.02	203.0	0.14
Loans & Advances to Banks 1 - 5 Years	52.7	46.0	0.03	25.0	0.02	97.0	0.06	241.0	0.16
Loans & Advances to Banks > 5 Years	16.0	14.0	0.01	3.0	0.00	4.0	0.00	4.0	0.00
Liability Maturities:									
Retail Deposits < 3 months	2,690.5	2,349.0	1.71	1,948.0	1.39	3,294.0	2.14	2,506.0	1.68
Retail Deposits 3 - 12 Months	547.5	478.0	0.35	184.0	0.13	432.0	0.28	251.0	0.17
Retail Deposits 1 - 5 Years	2,359.5	2,060.0	1.50	2,311.0	1.65	2,567.0	1.67	1,706.0	1.14
Retail Deposits > 5 Years	1,045.8	913.0	0.66	974.0	0.70	1,186.0	0.77	2,331.0	1.56
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	2,042.2	1,783.0	1.30	1,434.0	1.02	1,732.0	1.12	2,968.0	1.99
Deposits from Banks 3 - 12 Months	91.6	80.0	0.06	163.0	0.12	2.0	0.00	n.a.	-
Deposits from Banks 1 - 5 Years	108.8	95.0	0.07	48.0	0.03	10.0	0.01	n.a.	-
Deposits from Banks > 5 Years	486.8	425.0	0.31	187.0	0.13	38.0	0.02	n.a.	-
Senior Debt Maturing < 3 months	9,793.2	8,550.0	6.22	n.a.	-	n.a.	-	11,062.0	7.40
Senior Debt Maturing 3-12 Months	15,499.6	13,532.0	9.84	n.a.	-	n.a.	-	21,678.0	14.50
Senior Debt Maturing 1- 5 Years	55,825.7	48,739.0	35.44	n.a.	-	n.a.	-	49,626.0	33.19
Senior Debt Maturing > 5 Years	37,684.8	32,901.0	23.93	n.a.	-	n.a.	-	27,757.0	18.57
Total Senior Debt on Balance Sheet	**118,803.2**	**103,722.0**	**75.43**	**n.a.**	**-**	**n.a.**	**-**	**110,123.0**	**73.66**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	1.1	1.0	0.00	1.0	0.00	1.0	0.00	1.0	0.00
Subordinated Debt Maturing 3-12 Months	0.0	0.0	0.00	0.0	0.00	1.0	0.00	1.0	0.00
Subordinated Debt Maturing 1- 5 Year	20.6	18.0	0.01	2.0	0.00	3.0	0.00	4.0	0.00
Subordinated Debt Maturing > 5 Years	14.9	13.0	0.01	28.0	0.02	26.0	0.02	25.0	0.02
Total Subordinated Debt on Balance Sheet	**36.7**	**32.0**	**0.02**	**31.0**	**0.02**	**31.0**	**0.02**	**31.0**	**0.02**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	13,854.8	12,096.0	8.80	11,641.0	8.31	12,328.0	8.01	12,797.0	8.56
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**13,854.8**	**12,096.0**	**8.80**	**11,641.0**	**8.31**	**12,328.0**	**8.01**	**12,797.0**	**8.56**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**13,854.8**	**12,096.0**	**8.80**	**11,641.0**	**8.31**	**12,328.0**	**8.01**	**12,797.0**	**8.56**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	4,877.1	4,258.0	3.10	4,220.0	3.01	3,753.0	2.44	3,739.0	2.50
2. Fair-value adjustments relating to own credit risk on debt issued	(10.3)	(9.0)	(0.01)	(9.0)	(0.01)	(24.0)	(0.02)	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	3.4	3.0	0.00	2.0	0.00	0.0	0.00	0.0	0.00
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**4,863.4**	**4,246.0**	**3.09**	**4,209.0**	**3.01**	**3,729.0**	**2.42**	**3,739.0**	**2.50**
Exchange Rate		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185	

The ratings above were solicited and assigned or maintained at the request of the rated entity/Issuer or a related third party. Any exceptions follow below.