

PRESS RELEASE INTERIM REPORT 2023

The full interim report is published at the website of BNG Bank on Monday September 4th at 08:00 CET (www.bngbank.nl or www.bngbank.com).

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Date
4 September 2023

BNG Bank: strong financial performance and social impact

- **EUR 6 billion in long term-loans granted to boost social equity and sustainability in the Netherlands**
- **Long-term loan portfolio remained stable at EUR 87.8 billion**
- **Higher interest result**
- **Lower net profit due to result on financial transactions**
- **Clients give us on average score of 7.9**

Gita Salden, CEO of BNG Bank: “Even in these turbulent times, we stand firmly behind our clients. We want to be a reliable, predictable partner and support our clients in performing their social tasks enabling them to make an impact. In the first half of 2023, BNG Bank once again managed to achieve this ambition.

We granted EUR 6 million in long-term loans. BNG Bank also managed to attract sufficient funding at good conditions in terms of volume, maturity and pricing. We retained our AAA credit rating, enabling us to borrow at favourable rates in the international markets.

The conclusion of a survey that was conducted in the past six months is that our clients rate our services very highly. The availability and low costs of the loans we provide are especially appreciated. Our clients gave us a score of 7.9. I am proud of that.”

Financial results

In the past six months, the activities of BNG Bank generated a solid interest result. Our interest result increased by EUR 49 million from EUR 220 million to EUR 269 million. This was due to several factors, including higher interest rates and longer maturities of loans to clients. We have realised a net profit of EUR 141 million for the first half of 2023. Our net profit for the first half of 2022 came to EUR 206 million. The decrease of the net profit was mainly due to a lower result on financial transactions arising from the liquidity portfolio.

The long-term loan portfolio remained stable at EUR 87.8 billion. The

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demand for credit from municipalities has decreased due to the following factors. Some of our clients brought their demand for credit forward in anticipation of higher interest rates. Furthermore, the demand for credit from municipalities was dampened due to building projects being postponed and delayed as a consequence of staffing and materials shortages and the continuing uncertainty about the long-term availability of financing in the coming years.

BNG Bank's capital position remained strong. At the end of June 2023, the Common Equity Tier 1 ratio and the leverage ratio came to 38.5% and 8.9% respectively. Both these ratios remained therefore well above the minimum levels set by the regulator.

We once again raised a large part of our financing by means of ESG bonds. In the first half of 2023, our sustainable bond portfolio increased from EUR 3.5 billion to EUR 4.2 billion, which is 38% of the total amount issued.

In the second half of this year, BNG Bank will continue on the course it has set, based on its *Our Road to Impact* strategy. We will ensure that our clients are offered access to the financing at attractive conditions and we will keep on investing in our people and processes.

The Hague, 08:00 CET

BNG Bank – Driven by social impact

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

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Consolidated balance sheet

Amounts in millions of euros	30/06/2023	31/12/2022
ASSETS		
Cash and balances held with central banks	20,668	6,821
Amounts due from banks	409	346
Cash collateral posted	4,092	4,144
Financial assets at fair value through the income statement	892	901
Derivatives	3,012	3,737
Financial assets at fair value through other comprehensive income	9,074	7,398
Interest-bearing securities at amortised cost	8,774	7,636
Loans and advances at amortised costs	89,546	89,624
Value adjustments on loans in portfolio hedge accounting	-8,286	-8,679
Associates and joint ventures	23	24
Property & equipment	13	13
Current tax assets	2	-
Other assets	99	109
TOTAL ASSETS	128,318	112,074
LIABILITIES		
Amounts due to banks	2,780	4,012
Cash collateral received	874	1,173
Financial liabilities at fair value through the income statement	184	185
Derivatives	6,332	6,129
Debt securities	107,657	90,774
Funds entrusted	5,626	4,785
Subordinated debts	18	38
Current tax liabilities	-	11
Deferred tax liabilities	7	14
Other liabilities	250	338
TOTAL LIABILITIES	123,728	107,459
EQUITY		
Share capital, premium reserve and retained earnings	4,117	3,969
Additional Tier 1 capital	309	309
Revaluation reserve	23	4
Cash flow hedge reserve	8	14
Own credit adjustment	1	2
Cost of hedging reserve	-9	17
Net profit	141	300
TOTAL EQUITY	4,590	4,615
TOTAL LIABILITIES AND EQUITY	128,318	112,074

Consolidated income statement

Amounts in millions of euros	30/06/2023	30/06/2022
- Interest revenue	2,938	2,175
- Interest expenses	-2,669	-1,955
INTEREST RESULT	269	220
- Commission income	14	11
- Commission expenses	-1	-2
COMMISSION RESULT	13	9
Result on financial transactions	-28	92
Results from associates and joint ventures	1	10
Other results	0	0
TOTAL OPERATING INCOME	255	331
Staff costs	-41	-35
Other administrative expenses	-22	-18
Depreciation	-1	-1
Other operating expenses	0	0
TOTAL OPERATING EXPENSES	-64	-54
Net impairments on financial assets	11	14
Net impairments on associates and joint ventures	-	1
Contribution to resolution fund	-14	-20
TOTAL OTHER EXPENSES	-3	-5
PROFIT BEFORE TAXES	188	272
Taxes	-47	-66
NET PROFIT	141	206
- of which attributable to the holders of Additional Tier 1 capital	14	23
- of which attributable to shareholders	127	183