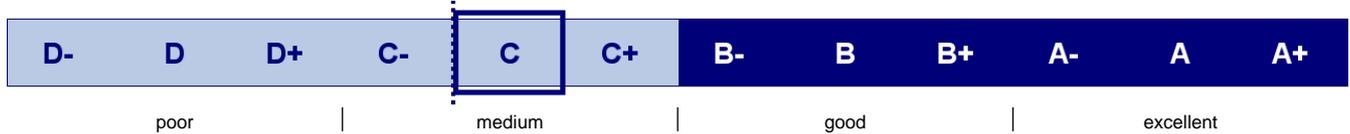


oekom Corporate Rating

# Bank Nederlandse Gemeenten NV

Industry: Financials/Mortgage & Public Sector Finance  
 Country: Netherlands  
 ISIN: XS0356235076

Status: **Prime**  
 Rating: **C**  
 Prime Threshold: **C**



## Company Profile

Bank Nederlandse Gemeenten (BNG) is a government-owned entity that helps finance the operations of the country's municipalities, housing associations, health care institutions, and public utilities. BNG provides customised financial services ranging from loans and funds transfers to consultancy, electronic banking and investments. BNG also participates in public-private partnerships. The company's shareholders are exclusively Dutch public authorities. Half of the company's share capital is held by the state of the Netherlands, the other half being held by municipal authorities, provincial authorities and a water board. BNG's shares are not listed on a stock exchange.

## Competitive Position

### Industry Leaders

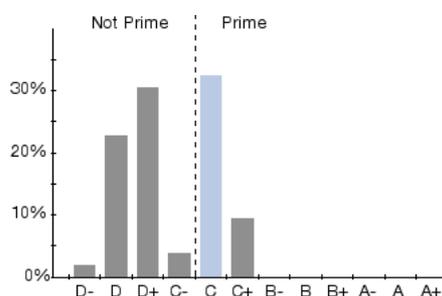
(in alphabetical order)

- Bayerische Landesbodenkreditanstalt (DE) C+
- Muenchener Hypothekenbank eG (DE) C+
- Nederlandse Waterschapsbank NV (NL) C+

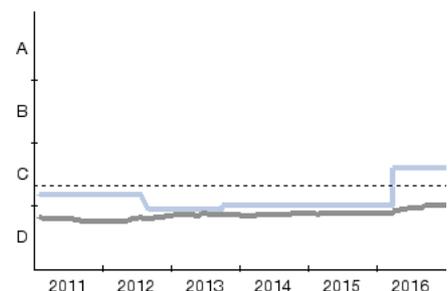
■ Company ■ Industry

### Distribution of Ratings

(53 companies in the industry)

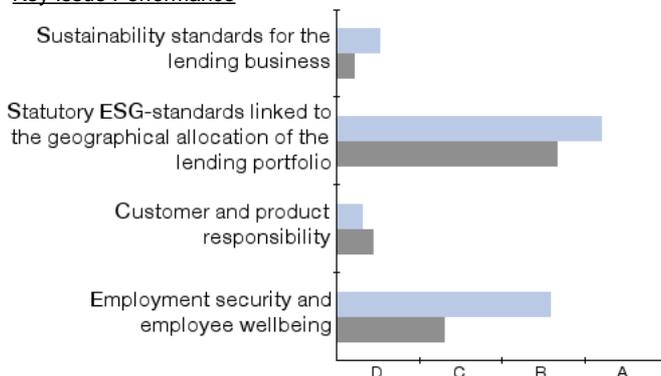


### Rating History



## Key Issues

### Key Issue Performance



### Strengths and Weaknesses

- + entire loan portfolio is allocated in countries with fairly good environmental and social minimum standards
- + programmes regarding lending to companies/projects with high social benefit
- + green loan programmes for public sector and commercial customers
- + measures to prevent and alleviate mental health problems
- no strict and comprehensive general environmental and social guidelines for the credit rating process with regard to commercial and public sector customers
- no comprehensive strategy concerning the integration of environmental and social aspects into the company's own investment portfolio

## Controversy Monitor

### Company

Controversy Score: 0  
 Controversy Level: Minor



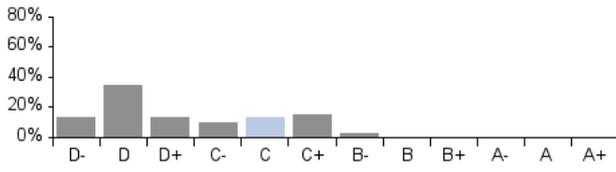
### Industry

Maximum Controversy Score: Minor  
 Controversy Risk: Minor

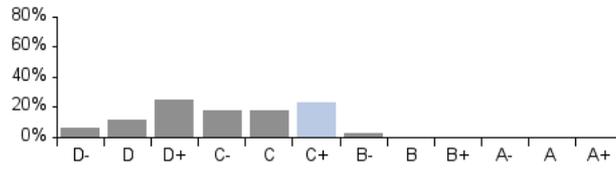


# Bank Nederlandse Gemeenten NV

**A. Social Rating** 50.0% | **C**

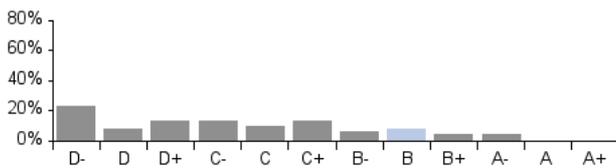


**B. Environmental Rating** 50.0% | **C+**



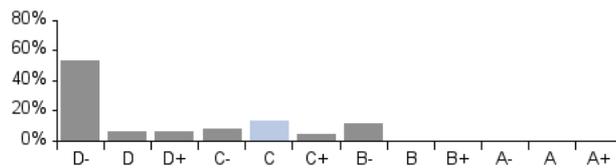
**A.1. Staff and Suppliers** 15.0% | **B**

- |  |   |        |        |       |   |
|--|---|--------|--------|-------|---|
| <ul style="list-style-type: none"> <li>• staff</li> <li>• freedom of association</li> <li>• equal opportunities</li> <li>• health and safety</li> <li>• work-life balance</li> <li>• employment security</li> <li>• training and education</li> <li>• suppliers</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">15.0%</td> <td style="text-align: left;">B</td> </tr> </table> | Weight | Rating | 15.0% | B |
| Weight   | Rating  |        |        |       |   |
| 15.0%  | B   |        |        |       |   |



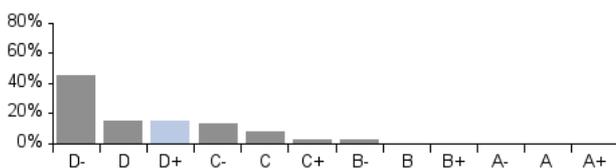
**B.1. Environmental Management** 12.5% | **C**

- |   |   |        |        |       |   |
|---|---|--------|--------|-------|---|
| <ul style="list-style-type: none"> <li>• environmental policy</li> <li>• environmental management system</li> <li>• climate change strategy</li> <li>• travel and transport</li> <li>• green procurement</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">12.5%</td> <td style="text-align: left;">C</td> </tr> </table> | Weight | Rating | 12.5% | C |
| Weight  | Rating  |        |        |       |   |
| 12.5%   | C   |        |        |       |   |



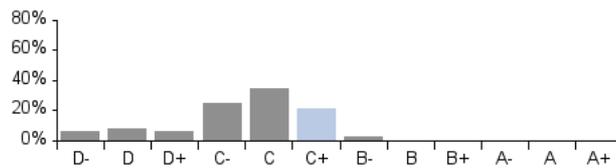
**A.2. Society and Product Responsibility** 25.0% | **D+**

- |   |  |        |        |       |    |
|---|--|--------|--------|-------|----|
| <ul style="list-style-type: none"> <li>• society</li> <li>• human rights</li> <li>• community</li> <li>• gov. relations/influence on publ. pol.</li> <li>• stakeholder dialogue</li> <li>• customer and product responsibility</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">25.0%</td> <td style="text-align: left;">D+</td> </tr> </table> | Weight | Rating | 25.0% | D+ |
| Weight  | Rating   |        |        |       |    |
| 25.0%   | D+   |        |        |       |    |



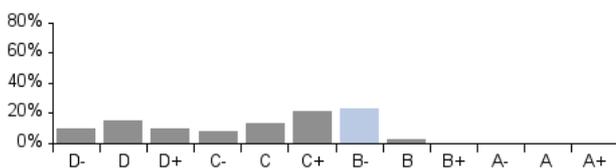
**B.2. Products and Services** 35.0% | **C+**

- |  |  |        |        |       |    |
|--|--|--------|--------|-------|----|
| <ul style="list-style-type: none"> <li>• lending and investment banking business</li> <li>• investments</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">35.0%</td> <td style="text-align: left;">C+</td> </tr> </table> | Weight | Rating | 35.0% | C+ |
| Weight   | Rating   |        |        |       |    |
| 35.0%  | C+   |        |        |       |    |



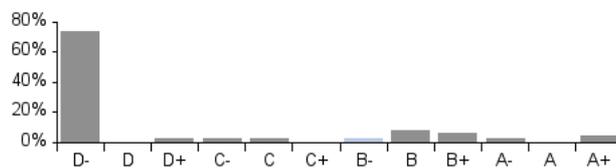
**A.3. Corporate Governance and Business Ethics** 10.0% | **B-**

- |   |  |        |        |       |    |
|---|--|--------|--------|-------|----|
| <ul style="list-style-type: none"> <li>• corporate governance</li> <li>• board independence</li> <li>• shareholder democracy</li> <li>• executive compensation</li> <li>• shareholder structure</li> <li>• business ethics</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">10.0%</td> <td style="text-align: left;">B-</td> </tr> </table> | Weight | Rating | 10.0% | B- |
| Weight  | Rating   |        |        |       |    |
| 10.0%   | B-   |        |        |       |    |



**B.3. Eco-efficiency** 2.5% | **B-**

- |   |   |        |        |      |    |
|---|---|--------|--------|------|----|
| <ul style="list-style-type: none"> <li>• energy use</li> <li>• GHG emissions</li> <li>• business travel</li> <li>• paper use</li> </ul> | <table border="0"> <tr> <td style="text-align: right;">Weight</td> <td style="text-align: left;">Rating</td> </tr> <tr> <td style="text-align: right;">2.5%</td> <td style="text-align: left;">B-</td> </tr> </table> | Weight | Rating | 2.5% | B- |
| Weight  | Rating  |        |        |      |    |
| 2.5%  | B-  |        |        |      |    |



# Bank Nederlandse Gemeenten NV

## Controversial Activities

### Business Areas

	Risk Industry	Violation		No	No Info	
		Producer	User/ Retailer			
Alcohol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Animal Testing	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Chlorinated Hydrocarbons	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Embryonic Research	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Furs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
GMOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Gambling	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Military	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Nuclear Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pesticides	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pornography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Tobacco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

### Business Practices

	Risk Industry	Violation		No	No Info	
		Company	Supplier			
Human Rights Controversies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Labour Rights Controversies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Controversial Environmental Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Business Malpractice	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	

# Bank Nederlandse Gemeenten NV

## Additional Company Information

### Business Data

	Total Assets (EUR m)	Net. Income (EUR m)	Number of Employees
2014	153,505.00	126.00	278
2015	149,511.00	226.00	285
2016	n/a	n/a	n/a

Financial Year ends: 12/2015

### Participation in Rating Process

The rating report was prepared based on publicly available company documentation and information from external sources such as NGOs, authorities, trade unions and the media. It was subsequently submitted to the company for consideration and feedback. The company actively participated in the rating process and provided additional information.

### Company Contact

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 Internet [www.oekom-research.com](http://www.oekom-research.com)

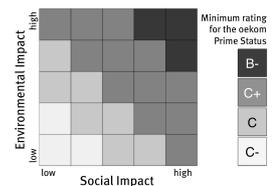
### Disclaimer

- oekom research AG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide.
- We would, however, point out that we do not warrant that the information presented in this Rating Report is complete, accurate or up to date. Any liability on the part of oekom research AG in connection with the use of these pages, the information provided in them and the use thereof shall be excluded.
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# Bank Nederlandse Gemeenten NV

## Methodology - Overview

oekom Corporate Rating	<p>The oekom Universe comprises more than 3,800 companies (mostly companies in important national and international indices, but also small &amp; mid caps drawn from sectors with links to sustainability as well as significant non-listed bond issuers).</p> <p>The assessment of the social and environmental performance of a company is generally carried out with the aid of approx. 100 social and environmental criteria, selected specifically for each industry. All criteria are individually weighted, evaluated and aggregated to yield an overall score (Rating). In case there is no relevant or up-to-date company information available on a certain criterion, it is graded with a D-.</p> <p>In order to generate a comprehensive picture of each company, our analysts collect information relevant to the rating both from the company itself and from independent sources. During the rating process, considerable importance is attached to cooperating extensively with the company under evaluation. Companies are regularly given the opportunity to comment on the results and provide additional information.</p> <p>An external rating committee assists the analysts at oekom research with the content-related design of industry-specific criteria and carries out a final plausibility check of the rating results at the end of the rating process.</p>
Controversial Activities	<p>In addition to the rating, oekom research undertakes a comprehensive analysis of controversies with respect to numerous business areas and practices for each company. Thereby, our clients have the possibility to consider, either separately or in addition to the best-in-class rating, the behaviour of a company in areas they view especially critical.</p> <p>If relevant cases are identified, they are highlighted by a blue frame. A Risk Industry indicates that the industry is frequently active in controversial business areas or prone to controversial business practices. An overview of all exclusion criteria and how they are applied in practice can be found at <a href="http://www.oekom-research.com">www.oekom-research.com</a>.</p>
Controversy Monitor	<p>The oekom Controversy Monitor is a tool for assessing and managing reputational and financial risks associated with companies' negative environmental and social impacts.</p> <p>The controversy score is a measure of the number and extent of the controversies in which a company is currently involved: all controversial business areas and business practices are assigned a negative score, which varies depending on the significance and severity of the controversy. Both the score of the portrayed company and the maximum score obtained in the industry are displayed.</p> <p>For better classification, the scores are assigned to different levels: minor, moderate, significant and severe. The industry level relates to the average controversy score.</p> <p>Only controversies, for which reliable information from trustworthy sources is available, are recorded. It should be noted that large international companies are more often the focus of public and media attention and available information is often more comprehensive than for less prominent companies.</p>
Distribution of Ratings	<p>Overview of the distribution of all company ratings of an industry from the oekom Universe (company portrayed in this report: light blue). The industry-specific Prime threshold (vertical dotted line) is also shown.</p>
Industry Classification	<p>The social and environmental impacts of industries differ. Therefore, subject to its relevance, each industry analysed is classified in a Sustainability Matrix.</p> <p>Depending on this classification, the two dimensions of the oekom Corporate Rating, i.e. the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the oekom Prime Status (Prime threshold) are defined (absolute best-in-class approach).</p>
Industry Leaders	<p>List (in alphabetical order) of the top three companies in an industry from the oekom Universe at the time of generation of this report.</p>
Key Issue Performance	<p>Overview of the company's performance with regard to important social and environmental issues that are key to the industry, compared to the industry average.</p>
Rating History	<p>Trend in the company's rating over time and comparison to the average rating in the industry.</p>
Rating Scale	<p>Companies are rated on a twelve-point scale from A+ to D-:</p> <ul style="list-style-type: none"> <li>A+: the company shows excellent performance.</li> <li>D-: the company shows poor performance.</li> </ul> <p>Overview of the range of scores achieved in the industry (light blue) and display of the industry-specific Prime threshold (vertical dotted line).</p>
Sources of Information	<p>A selection of significant sources used for this report is illustrated on the last page.</p>
Status & Prime Threshold	<p>Companies are categorised as Prime if they achieve/exceed the minimum sustainability performance requirements (Prime threshold) defined by oekom for a specific industry (absolute best-in-class approach) in the oekom Corporate Rating. Prime companies rank among the leaders in that industry.</p>
Strengths & Weaknesses	<p>Overview of selected strengths and weaknesses of a company with regard to relevant social and environmental criteria.</p>



Please note that all data in this report relates to the point in time at which the report was generated.