



Pillar 3

Disclosure report **2024**



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Introduction

The international prudential regulatory framework for banks is based on a comprehensive set of measures developed by the Basel Committee on Banking Supervision (known as the Basel III framework). In 2010, the Basel III framework was adopted and implemented in the European Union through the Capital Requirements Regulation (EU) No 575/2013 (CRR) and the Capital Requirements Directive (EU) No 2013/36 (CRD). The CRR is binding for all EU member states and came into effect per 1 January 2014.

The Basel Committee's framework is based on three pillars. Pillar 1 on minimum capital requirements, which defines the rules for the capital requirements of credit, market and operational risk. Pillar 2 regarding the Supervisory Review and Evaluation Process (SREP). The SREP requires banks to have an internal capital adequacy assessment process (ICAAP) to identify and assess risks and maintain sufficient capital, and an internal liquidity adequacy assessment process (ILAAP) focusing on maintaining sufficient liquidity (and funding) risk management. Finally, Pillar 3 ensures market discipline and transparency, requiring disclosures to allow market participants to have sufficient understanding of the risk profiles of individual banks.

Following the Pillar 3, we publish relevant disclosures on our performance following the CRR on prudential requirements for credit institutions and investment firms (Part Eight) and the final Implementing Technical Standards (ITS) No 2021/637 on public disclosures by institutions. The Pillar 3 report is published on an annual and semi-annual basis. Some capital requirements as laid down in Articles 433 and 433a of the CRR are disclosed on a quarterly or semi-annual basis. BNG is classified as "Other Systemically Important Institutions" which imposes the requirement to publish an interim and an annual Pillar 3 report. In considering the relevant requirements on the frequency of disclosure, we have assessed the need and the requirements to publish information more frequently¹. Our business model is stable with a limited range of activities which shows that our risk profile is

not prone to rapid changes. As a result, the information that generally qualifies for quarterly disclosure, does not show sudden material fluctuations. Note that these disclosures also include the mandatory quarterly templates.

Senior representatives and subject matter experts from Finance & Control, Risk and Strategy & Sustainability are responsible for our risk disclosures and govern the respective risk disclosure processes. For qualitative information, this report should be read in conjunction with the Internal Business Operations chapter, specifically the Risk Management section of the 2024 Annual Report on our website. The information disclosed in this report is subject to the similar internal control procedures as the information published in the Annual Report and other regulatory reports. The figures presented in this document are not required to be, nor have they been, audited or reviewed by our external auditor. In this report, the terms 'Risk-weighted assets (RWA)', 'Risk-weighted exposure amount (RWEA)' are used interchangeably. Similarly, this report may use the terms 'banking book' and 'non-trading book' interchangeably. The quantitative information is described in millions, unless otherwise indicated.

The scope of this report includes BNG Bank N.V. and its subsidiary BNG Gebiedsontwikkeling B.V.

In accordance with Article 432 of the CRR, we 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 our 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. We shall explain the reasons for omitting any information required in the

¹ Conform the CRR requirements on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433.

templates and tables included in the ITS. Where disclosure is required for information that is considered proprietary or confidential, a generic disclosure is provided.

Several templates are deemed not applicable to BNG and therefore not included in this report. A detailed list of these templates can be found in the Annex.

ESG Disclosures implemented

From 31 December 2022, BNG also discloses information on environmental, social and governance risks (ESG risks), including physical risks and transition risks. On 24 January 2022, EBA published the final ITS on ESG disclosures. The ITS supports comparable disclosures that show how climate change may exacerbate other risks within banks' balance sheets, how banks are mitigating these risks, and the extend of banks' exposures to sustainable activities. The framework allows investors and stakeholder to compare sustainability performances of banks. The ITS entered into force in June 2022 and the disclosures will take place on a semi-annual basis. The qualitative disclosures (table 1, 2 and 3) and templates 1, 2, 4, 5 and 10 were applicable as of 31 December 2022. As of 31 December 2023, the templates 6, 7 and 8 take were applicable. Template 3 was effective as of 30 June 2024 and template 9 (voluntary) as of 31 December 2024. As the information from counterparties required to calculate the BTAR is not available, we have chosen not to voluntary publish template 9. The GAR (template) was already published, and the relevant information was already available.

Future changes

The CRR3 introduces new and amended disclosure requirements stemming from the latest Basel III Pillar 3 reforms, and a mandate for the EBA to develop IT solutions, including templates and instructions, for the disclosure requirements laid down in the banking regulation. The new ITS implement the CRR 3 prudential disclosures by including new requirements on output floor, credit risk, market risk, CVA risk and operational risk. These CRR3 changes will be effective as per January 2025 and implemented for the first time as per 30 June 2025.

Statement by management body

Following the requirement laid down in Article 431 point 3 of the CRR and BNG's internal policies, the Pillar 3 Annual Report is approved by the Executive Committee (ExCo) and the Supervisory Board (SB). The management body confirms that the BNG Annual 2024 Pillar 3 report has been prepared in accordance with the internal control processes as they have been agreed upon within BNG and are considered adequate with regard to the institution's profile and strategy. In addition, the management body confirms that the BNG Annual 2024 Pillar 3 report includes the disclosures as prescribed in Part Eight of the CRR and provides a comprehensive overview on the risk profile of BNG as per end of 2024.

The BNG Annual 2024 Pillar 3 Report was approved by the ExCo on 22 May 2025, the AC on 28 May 2025 and SB respectively on 6 June 2025.

Key metrics and overview RWEA



EU KM1 – Key metrics template

		a	b	c	d	e
		31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	4,140	4,162	4,177	4,183	4,097
2	Tier 1 capital	4,449	4,471	4,486	4,492	4,406
3	Total capital	4,449	4,471	4,486	4,492	4,406
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	10,294	10,288	10,426	9,436	9,564
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	40.22%	40.46%	40.06%	44.33%	42.84%
6	Tier 1 ratio (%)	43.22%	43.46%	43.03%	47.61%	46.07%
7	Total capital ratio (%)	43.22%	43.46%	43.03%	47.61%	46.07%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
Eu 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	2.00%	2.00%	2.00%	1.75%
Eu 7b	of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.13%	1.13%	0.98%
Eu 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50%	1.50%	1.50%	1.50%	1.31%
Eu 7d	Total SREP own funds requirements (%)	10.00%	10.00%	10.00%	10.00%	9.75%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	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%
9	Institution specific countercyclical capital buffer (%)	1.95%	1.94%	1.94%	1.05%	1.04%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%

		a	b	c	d	e
EU 10a	Other Systemically Important Institution buffer	0.25%	0.25%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	4.70%	4.69%	5.44%	4.55%	4.54%
EU 11a	Overall capital requirements (%)	14.70%	14.69%	15.44%	14.55%	14.29%
12	CET1 available after meeting the total SREP own funds requirements (%)	33.22%	33.46%	33.03%	37.61%	36.32%
	Leverage ratio					
13	Total exposure measure	38,507	57,860	42,505	65,445	32,986
14	Leverage ratio	11.55%	7.73%	10.55%	6.86%	13.36%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	- of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	25,507	25,115	28,555	33,137	36,708
EU 16a	Cash outflows - Total weighted value	20,327	20,534	22,022	24,282	25,593
EU 16b	Cash inflows - Total weighted value	3,138	3,321	3,412	3,468	3,281
16	Total net cash outflows (adjusted value)	17,189	17,213	18,610	20,814	22,312
17	Liquidity coverage ratio (%)	153.18%	145.18%	155.38%	162.09%	166.70%
	Net Stable Funding Ratio¹					
18	Total available stable funding	99,499	101,345	99,183	97,944	91,772
19	Total required stable funding	71,661	69,561	70,251	68,483	67,015
20	NSFR ratio (%)	138.85%	145.69%	141.18%	143.02%	136.94%

¹ The comparable figures of 2023 of the Net Stable Funding Ratio have been adjusted after resubmissions.

The risk-weighted assets increased from EUR 9.6 billion on 31 December 2023 to EUR 10.3 billion on 31 December 2024. The increase is mainly due to an adjustment of the solvency weighting of drinking water companies and network companies. The Common Equity Tier 1 ratio and BNG's Tier 1 ratio declined because of this to 40.22% and 43.22% respectively (31 December 2023: 42.84% and 46.07% respectively).

The Liquidity Coverage Ratio as at 31 December 2024 increased to 216.53% (31 December 2023: 142.61%), this is mainly due to a higher Liquidity Buffer as a result of a higher withdrawable balance at central banks. The net liquidity outflow is in line with previous year.

For regulatory purposes the capital requirement is based on the Pillar 1 requirement for the aggregated Risk-Weighted Assets (RWA) for the three major risk types (credit, operational and market risk). This requirement is supplemented by so-called Combined Buffer Requirement (CBR) and a Pillar 2 requirement (P2R). The P2R is an institution specific requirement stemming from the Supervisor Review and Evaluation Process (SREP) conducted by the supervisor. The P2R covers risks that are not (fully) covered by Pillar 1. BNG employs the 'Standardised Approach' to calculate the RWAs.

As part of the SREP, BNG has received notification from the European Central Bank that the total SREP capital requirement for BNG is set at 10%, effective as of 1 January 2024. This requirement is to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital, as a minimum.

This total SREP capital requirement consists of (i) the minimum CET1 requirement under Pillar 1 (4.5%), (ii) the Pillar 1 Additional Tier 1 requirement (1.5%), (iii) the Pillar 1 Tier 2 requirement (2%) and (iv) the Pillar 2 CET1 capital requirement (Pillar 2 requirement, 2%). Including the buffer requirements: the capital conservation buffer (CCB, 2.5% CET1), the countercyclical buffer (CCyB, 1% for loans outstanding in the Netherlands) and the Other Systemic Important Institution buffer (O-SII buffer, 1%).

The Dutch Central Bank (*De Nederlandsche Bank* (DNB)) has increased the CCyB for lending in the Netherlands to 2% and decreased the O-SII buffer for BNG to 0.25% from 31 May 2024.

For the minimum requirement for own funds and eligible liabilities (MREL) as set in the Banking resolution framework, an institution specific requirement is determined by the

Single Resolution Board (SRB). On October 5, 2023, the SRB issued a decision in which it was concluded that BNG is a liquidation entity (simplified obligations apply to BNG) and that liquidation under normal insolvency proceedings is feasible and credible. At the same time – in accordance with the second subparagraph of Article 12d(2) of Regulation (EU) 806/2014 – SRB had determined that it was justified to limit MREL so that it does not exceed the loss absorption amount (LAA). On 1 October 2024 SRB decided to repeal the above decision determining MREL for BNG with effect as of 14 November 2024, because SRB decided it is justified to no longer determine the MREL for BNG (pursuant to Article 12d(2a) of Regulation (EU) No 806/2014, as introduced by Directive (EU) 2024/1174 the European Parliament and of the Council of 11 April 2024 amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the MREL).

In addition, following the non-risk based leverage ratio as a binding measure in the CRR, all banks have to comply with a minimum leverage ratio of 3%. However, for public development credit institutions such as BNG, exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments, and promotional loans may be excluded from the total exposure measure.

Due to the increase in the balance sheet total, our leverage ratio decreased to 11.55% compared to 13.36% at 31 December 2023.

The comparable figure of 2023 of the Net Stable Funding Ratio has been adjusted due to a resubmission of the report. The Net Stable Funding Ratio at 31 December 2024 increased to 138.85% (31 December 2023: 136.94%).

All of our capital and liquidity ratios remain well above the minimum levels set by the regulator.

EU OV1 – Overview of total risk exposure amounts

Template EU OV1 provides an overview of the total own funds requirements and the total risk exposure amounts for the different risk categories, forming the denominator of the risk-based capital requirements.

		a	b	c	d	e	f	g	h	i	j
		Total risk exposure amounts (TREA)					Total own funds requirements				
		31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023	31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023
1	Credit risk (excluding CCR)	7,369	7,278	7,456	6,403	6,523	590	583	597	513	522
2	- Of which the standardised approach	7,369	7,278	7,456	6,403	6,523	590	583	597	513	522
3	- Of which the foundation IRB (FIRB) approach	-	0	-	-	-	-	-	-	-	-
4	- Of which: slotting approach	-	-	-	-	-	-	-	-	-	-
EU 4a	- Of which: equities under the simple riskweighted approach	-	-	-	-	-	-	-	-	-	-
5	- Of which the advanced IRB (AIRB) approach	-	-	-	-	-	-	-	-	-	-
6	Counterparty credit risk - CCR	1,391	1,528	1,473	1,526	1,485	112	122	118	122	119
7	- Of which the standardised approach	681	787	689	760	666	55	63	56	61	53
8	- Of which internal model method (IMM)	-	-	-	-	-	-	-	-	-	-
EU 8a	- Of which exposures to a CCP	13	13	13	14	18	1	1	1	1	2
EU 8b	- Of which credit valuation adjustment - CVA	683	712	767	740	740	55	57	61	59	59
9	- Of which other CCR	14	16	4	12	61	1	1	-	1	5
15	Settlement risk	-	-	-	-	-	-	-	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	480	501	516	526	575	38	40	41	42	46

		a	b	c	d	e	f	g	h	i	j
		Total risk exposure amounts (TREA)					Total own funds requirements				
		31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023	31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023
17	- Of which SEC-IRBA approach	-	-	-	-	-	-	-	-	-	-
18	- Of which SEC-ERBA (including IAA)	480	501	516	526	575	38	40	41	42	46
19	- Of which SEC-SA approach	-	-	-	-	-	-	-	-	-	-
EU 19a	- Of which 1250%/ deduction	-	-	-	-	-	-	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-	-	-	-	-	-	-	-
21	- Of which the standardised approach	-	-	-	-	-	-	-	-	-	-
22	- Of which IMA	-	-	-	-	-	-	-	-	-	-
EU 22a	Large exposures	-	-	-	-	-	-	-	-	-	-
23	Operational risk	1,054	981	981	981	981	84	78	78	78	78
EU 23a	- Of which basic indicator approach	-	-	-	-	-	-	-	-	-	-
EU 23b	- Of which standardised approach	1,054	981	981	981	981	84	78	78	78	78
EU 23c	- Of which advanced measurement approach	-	-	-	-	-	-	-	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-	-	-	-	-	-	-	-
29	Total	10,294	10,288	10,426	9,436	9,564	824	823	834	755	765

EU OVC – ICAAP information

BNG determines and maintains an appropriate quantity and quality of capital to support our operations on an ongoing basis as part of the Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP is instrumental in ensuring the risk appetite is in line with the risk capacity. Based on the strategy, the risk appetite, the risk inventory and risk limits, the ICAAP quantifies the capital need, both from a normative perspective as well as from an economic perspective. The normative perspective assesses our ability to fulfil the capital-related regulatory and supervisory requirements and any capital-related requirements and demands from other stakeholders. Also, to cope with other external financial constraints on an ongoing basis over a three year horizon under baseline and adverse scenarios. Under the economic perspective BNG identifies and quantifies the required capital based on all material risks that may cause economic losses and deplete internal capital.

The setup of scenarios, the models and methodologies used and the outcomes are discussed in the Asset & Liability Committee (ALCO), the ExCo and SB.

The ICAAP is also an important input factor in the Single Supervisory Mechanism (SSM) Supervisory Review and Evaluation Process (SREP). BNG provides the ECB with a comprehensive ICAAP package on an annual basis.

Risk management objectives and policies



EU OVA – Institutional risk management approach

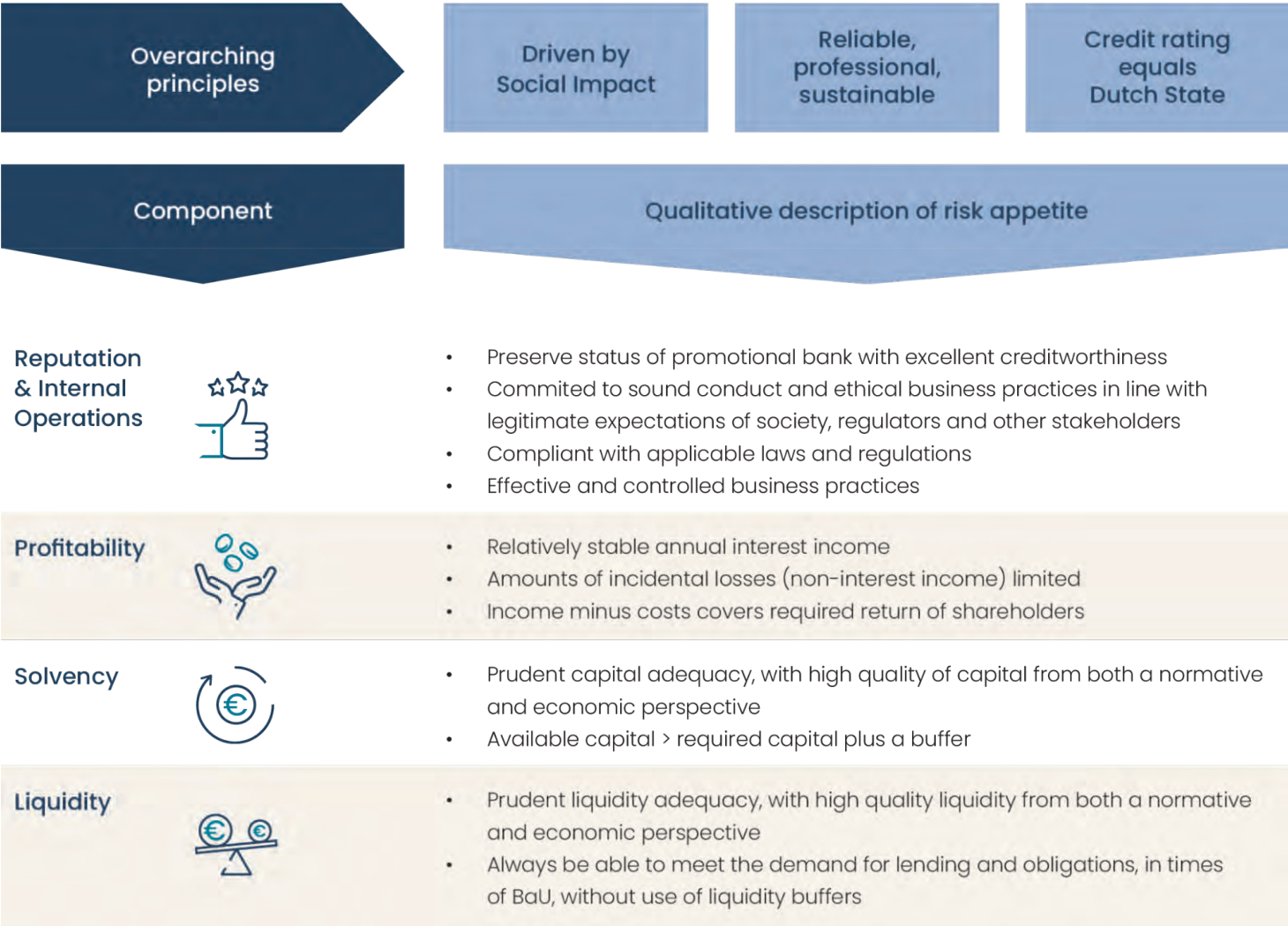
BNG has implemented a Risk Management Framework (RMF) that serves as the foundation for all risk management activities within our organization. This framework clarifies the principles underlying our internal control and risk management system. The process of accepting and managing risks is an integral part of any bank's daily operations. To conduct its activities, a bank must accept a certain level of risk.

BNG's risk management strategy aims to maintain a low risk profile, resulting in high external credit ratings assigned by rating agencies recognized by the Eurosystem. This profile is shaped by BNG's strict capitalization policy, the limitations on services and counterparties as stipulated in our Articles of Association. These elements collectively define our risk appetite.

The components of the RMF are extensively described in the Internal Business Operations chapter, specifically in the Risk Management section of the 2024 Annual Report. This section also provides an overview of the risk management organization, based on the Three Lines of Responsibility model, as well as the risk governance structure and processes for each type of risk.

The principles for risk acceptance are documented in the Risk Appetite Statement (RAS). The RAS is reviewed annually and provides a concise statement of risk tolerance, which is approved by the management body. The approved RAS for 2024 is visualized below

Overall Risk Appetite Statement BNG 2024



Investments in interest-bearing securities

BNG's interest-bearing securities (IBS) portfolio is held primarily for liquidity and investment management purposes. The portfolio consists of high-quality bonds, with a significant portion meeting the eligibility criteria for collateral accepted by the European Central Bank (ECB). These bonds typically include government securities, corporate bonds with high credit ratings, and other marketable debt instruments that comply with the ECB's stringent requirements. By focusing on ECB-eligible bonds, the portfolio maintains a high level of quality and liquidity, potentially enhancing its stability and value in various market conditions. BNG's interest-bearing securities (IBS) portfolio is divided into two main components: the Liquidity Portfolio and the Asset & Liability Management (ALM) Portfolio. The Liquidity portfolio is composed entirely of high-quality liquid assets, which are further categorized based on different Liquidity Coverage Ratio (LCR) levels.

The Asset-Liability Management (ALM) portfolio is strategically segmented based on security types. We employ a comprehensive monitoring approach, utilizing both external and internal rating factors to track individual security performance. Residential Mortgage-Backed Securities (RMBS) that meet liquidity coverage requirements undergo a due diligence process. To ensure ongoing quality and performance, all assets within these portfolios are subject to a bi-annual impairment analysis.

BNG is exposed to foreign country risk through various international activities: financial counterparty transactions (we engage with foreign financial institutions to hedge market risks associated with our lending and funding activities), as a result of our liquidity portfolio management (We maintain a liquidity portfolio that includes investments in foreign assets, potentially exposing it to risks in those countries) and, to a limited extent, in the context of Public sector lending and investments abroad. Foreign lending is, in most cases, either directly or indirectly backed by the respective governments.

All foreign exposures are managed within predefined limits established for each country. These country-specific limits are primarily determined by the creditworthiness and economic stability of the nation in question. Factors such as political climate, economic indicators, and historical financial performance are typically considered when assessing a country's credit quality and setting appropriate exposure limits. At the end of 2024, our

long term foreign exposure (expressed in balance sheet value) totals EUR 12.5 billion (2023: EUR 11.4 billion). This represents the same 9.8% of the balance sheet total as 2023.

Financial Risk Management conducts periodic monitoring of risk targets and reports the findings to relevant committees and the Executive Committee (ExCo). The economic capital model, which assesses capital adequacy allocation, incorporates sector-specific concentration risk. Stress testing is a crucial component of our comprehensive RMF, serving as a key tool for calibrating limits and thresholds.

EU OVB – Information on governance arrangements

The Executive Committee (ExCo) is responsible for the day-to-day management and operational decisions of BNG. Comprising five senior executives, including the Chief Executive Officer (CEO), the ExCo oversees key functions such as finance, risk management, and strategic planning. This leadership body operates under the supervision and guidance of the Supervisory Board (SB), which ensures that the ExCo's actions align with the BNG's long-term objectives and comply with regulatory requirements. The ExCo's structure allows for efficient decision-making while maintaining accountability to the SB and, ultimately, to our stakeholders. The SB consists of seven members which are in turn a chair, member or observer of the Audit Committee (AC), Risk Committee (RC), HR Committee

or Remuneration Committee (RemCie). More information on the personal details and requirements, responsibilities, composition requirements, committee composition and schedule for reappointment can be found on our website and the Annual Report 2024. The appointment, suspension and dismissal of the ExCo- or SB-members are further detailed in the Articles of Association.


The ExCo and the SB of BNG are regularly informed about the risks and risk management. The following table provides an overview of the relevant reports that the ExCo and SB receive periodically.

Table of reports and frequencies

3LoR	Report	Executive Committee	Supervisory Board
1st line	Financial Reports	monthly	quarterly
	Commercial Reports	monthly	quarterly
	Funding Plan	annually	annually
	Selected In Control Statements	annually	
2nd line	ICAAP/ ILAAP	annually	annually
	Integrated Risk Report	quarterly	quarterly
	Risk Appetite Statement	annually	annually
	Operational incident report	annually	annually
	Recovery Plan	every two years	every two years
	Risk Analysis on Remuneration Policy	annually	annually
3rd line	Internal Audit Reports	various	quarterly
	Management Letter Internal Auditor	annually	annually
Other	Audit Report External Auditor	annually	annually
	Management Letter External Auditor	annually	annually

Scope of application





As mentioned in the introduction, the scope of this report includes BNG Bank N.V. and its subsidiary BNG Gebiedsontwikkeling B.V. The subsidiary BNG Gebiedsontwikkeling B.V. directly or indirectly provides venture capital or other capital to public authorities and directly or indirectly participates in and/or cooperates with projects, either with or on behalf of public authorities or institutions affiliated with public authorities. In March 2018, the Supervisory Board of BNG Gebiedsontwikkeling and the Executive Board of BNG jointly decided to hold off on initiating any new activities or projects within BNG Gebiedsontwikkeling and to complete the projects in the existing portfolio over the coming years.

BNG prepares consolidated financial statements for the company and its subsidiary. The annual reporting date for the parent company and its subsidiary is the same and are based on uniform principles. All intra-group transactions and balances, including income, expenses and dividends, have been fully eliminated in the consolidated financial statements.

EU LII – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
31-12-2024	Carrying values of items						
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction of capital
Assets							
Cash and balances with the central bank	6,625	6,625	6,625	-	-	-	-
Amounts due from banks	804	804	804	-	-	632	-
Cash collateral posted	3,545	3,545	3	3,542	-	140	-
Financial assets at fair value through the income statement	757	757	757	-	-	384	-
Derivatives (assets)	3,979	3,979	-	3,979	-	3,979	-
Financial assets at fair value through other comprehensive income	11,322	11,322	11,322	-	-	-	-
Interest-bearing securities at amoritised cost	9,133	9,133	5,047	-	4,086	625	-
Loans and advances at amortised cost	94,537	94,537	94,537	-	-	98	-
Value adjustments on loans involved in portfolio hedge accounting	-2,953	-2,953	-2,953	-	-	-	-
Associated and joint ventures	16	16	16	-	-	-	-
Property & equipment	17	17	17	-	-	-	-
Other assets	104	104	104	-	-	-	-
Current tax assets	55	55	55	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-

	a	b	c	d	e	f	g
Total assets	127,941	127,941	116,334	7,521	4,086	5,858	-
Liabilities							
Amounts due to banks	1,639	1,639	-	-	-	488	1,151
Cash collateral received	1,533	1,533	-	1,533	-	-	-
Financial liabilities at fair value through the income statement	254	254	-	-	-	121	133
Derivatives	5,546	5,546	-	5,546	-	5,546	-
Debt securities	103,383	103,383	-	-	-	36,672	66,711
Funds entrusted	10,517	10,517	-	-	-	584	9,933
Subordinated debts	19	19	-	-	-	-	19
Current tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	39	39	-	-	-	-	39
Other liabilities	234	234	-	-	-	3	231
Total Liabilities	123,164	123,164	-	7,079	-	43,414	78,217

	a	b	c	d	e	f	g
31-12-2023	Carrying values of items						
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction of capital
Assets							
Cash and balances with the central bank	1,617	1,617	1,617	-	-	-	-
Amounts due from banks	622	622	622	-	-	470	-
Cash collateral posted	4,751	4,751	3	4,749	-	105	-
Financial assets at fair value through the income statement	911	911	911	-	-	500	-
Derivatives (assets)	3,011	3,011	-	3,011	-	2,880	-

	a	b	c	d	e	f	g
Financial assets at fair value through other comprehensive income	10,193	10,193	10,193	-	-	23	-
Interest-bearing securities at amortised cost	8,829	8,829	4,311	-	4,519	691	-
Loans and advances at amortised cost	90,497	90,497	90,497	-	-	90	-
Value adjustments on loans involved in portfolio hedge accounting	-5,037	-5,037	-5,037	-	-	-	-
Associated and joint ventures	22	22	22	-	-	-	-
Property & equipment	15	15	15	-	-	-	-
Other assets	89	89	89	-	-	-	-
Current tax assets	18	18	18	-	-	-	-
Assets held for sale	2	2	2	-	-	-	-
Total assets	115,540	115,540	103,262	7,760	4,519	4,759	-
Liabilities							
Amounts due to banks	905	905	-	-	-	174	731
Cash collateral received	656	656	-	656	-	-	-
Financial liabilities at fair value through the income statement	260	260	-	-	-	174	86
Derivatives	6,363	6,363	-	6,363	-	6,363	-
Debt securities	93,039	93,039	-	-	-	29,926	63,383
Funds entrusted	9,302	9,302	-	-	-	552	8,480
Subordinated debts	18	18	-	-	-	-	18
Current tax liabilities	-	-	-	-	-	-	-
Deferred tax liabilities	19	19	-	-	-	-	19
Other liabilities	257	257	-	-	-	-	257
Total Liabilities	110,819	110,819	-	7,019	-	37,189	72,974

The comparative figures of debt securities and funds entrusted have been adjusted due to a change in the classification of privately issued bonds with characteristics of both debt securities and funds entrusted, as disclosed in the Annual Report 2024.

EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	a	b	c	d	e
31-12-2024		Items subject to:			
	Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	127,941	116,334	4,086	7,521	5,863
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	44,947	-	-	7,079	43,414
3 Total net amount under the scope of prudential consolidation	82,994	116,334	4,086	442	-37,551
4 Off-balance-sheet amounts	9,057	8,938	119	-	-
5 Differences in valuations	227	227	-	-	-
6 Differences due to different netting rules, other than those already included in row 2	2,953	2,953	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to the use of credit risk mitigation techniques (CRMs)	-560	-560	-	-	-
9 Differences due to credit conversion factors	-3,910	-3,851	-59	-	-
10 Differences due to Securitisation with risk transfer	-	-	-	-	-
11 Other differences	39,537	-	-172	1,841	37,551
12 Exposure amounts considered for regulatory purposes	130,298	124,041	3,974	2,283	-

	a	b	c	d	e
31-12-2023	Items subject to:				
	Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	115,540	103,262	4,519	7,760	4,759
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	37,845	-	-	7,019	37,189
3 Total net amount under the scope of prudential consolidation	77,695	103,262	4,519	741	-32,430
4 Off-balance-sheet amounts	10,550	10,419	131	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules, other than those already included in row 2	5,037	5,037	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences due to the use of credit risk mitigation techniques (CRMs)	-531	-531	-	-	-
9 Differences due to credit conversion factors	-7,008	-6,942	-66	-	-
10 Differences due to Securitisation with risk transfer	-	-	-	-	-
11 Other differences	32,805	-3	-	1,981	32,430
12 Exposure amounts considered for regulatory purposes	118,548	111,242	4,584	2,722	-

EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
		Full consoli- dation	Proportional consolidation	Equity method	Neither consoli- dated nor deducted	Deducted	
BNG Gebieds-ontwikkeling BV	Fully consolidated	x					Directly or indirectly provides venture capital or other capital to public authorities and directly or indirectly participates in and/or cooperate with projects, either with or on behalf of public authorities or institutions affiliated with public authorities.



EU LIA – Explanations of differences between accounting and regulatory exposure amounts

The consolidation scope for the purpose of calculating Regulatory Capital is equal to the consolidation scope under IFRS. The main differences between the carrying value of assets under the scope of regulatory consolidation and the exposure amounts considered for regulatory purposes can be explained by the inclusion of the off-balance sheet liabilities in the exposure amounts for regulatory purposes, the exclusion of items that are capital deducted, the different valuation of derivatives due to netting rules and collateral. The market risk framework for regulatory purposes for BNG consists only of the standardised approach for foreign exchange risk. In Table EU LI1, the column for the market risk framework shows all transactions with a foreign currency component. After eliminating the transactions denominated in euros, the remaining positions, subject to capital charge, are nil for year-end 2024 and 2023 (Table EU LI2).

Own funds



EU CC1 – Composition of regulatory own funds

		a	a	b
		31-12-2024	31-12-2023	Source
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	145	146	
	<i>of which: Instrument type 1</i>	145	146	CC2-27 + CC2-28
	<i>of which: Instrument type 2</i>	-	-	
	<i>of which: Instrument type 3</i>	-	-	
2	Retained earnings	4,089	3,970	CC2-29
3	Accumulated other comprehensive income (and other reserves)	-60	42	CC2-30 till CC2-33
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	4,174	4,158	
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-5	-11	
8	Intangible assets (net of related tax liability) (negative amount)	-	-	
9	Not applicable	-	-	
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	-8	-6	
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	-9	-4	
15	Defined-benefit pension fund assets (negative amount)	-	-	

		a	a	b
		31-12-2024	31-12-2023	Source
16	Direct, indirect and synthetic 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	Not applicable	-	-	
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	Not applicable	-	-	
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	Not applicable	-	-	
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>)	-12	-40	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-34	-61	
29	Common Equity Tier 1 (CET1) capital	4,140	4,097	
Additional Tier 1 (AT1) capital: instruments				

		a	a	b
		31-12-2024	31-12-2023	Source
30	Capital instruments and the related share premium accounts	309	309	CC2-36
31	<i>of which: classified as equity under applicable accounting standards</i>	309	309	
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	309	
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic 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	Not applicable	-	-	
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	309	309	
45	Tier 1 capital (T1 = CET1 + AT1)	4,449	4,406	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts	-	-	

		a	a	b
		31-12-2024	31-12-2023	Source
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, indirect and synthetic 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, indirect and synthetic 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	Not applicable	-	-	
55	Direct, indirect and synthetic 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)	4,449	4,406	
60	Total risk exposure amount	10,294	9,564	
Capital ratios and requirements including buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	40.22%	42.84%	

		a	a	b
		31-12-2024	31-12-2023	Source
62	Tier 1 (as a percentage of total risk exposure amount)	43.22%	46.07%	
63	Total capital (as a percentage of total risk exposure amount)	43.22%	46.07%	
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)	10.33%	10.02%	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	2.50%	
66	<i>of which: countercyclical buffer requirement</i>	1.95%	1.04%	
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>	0.25%	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%	0.98%	
68	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	33.22%	36.32%	
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	101	91	
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	–	–	

		a	a	b
		31-12-2024	31-12-2023	Source
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)	-	-	

EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

BNG’s capitalisation is well above the fully-loaded capital requirements laid down in the Capital Requirements Directive (CRD). The capital structure consists mainly of common equity. The other part consists of additional Tier 1 instruments.

The authorised capital is divided into 100 million shares with a nominal value of EUR 2.50 each, of which 55,690,720 shares have been issued and fully paid up. The number of shares in circulation remained unchanged during the financial year. There are no issued shares that are not fully paid up. BNG and our subsidiaries hold no company shares. None of the shares carry preferential rights, nor are they subject to restrictions. There are no options that can be exercised to obtain entitlement to the issuance of shares.

Equity attributable to the shareholders includes reserves which consist of a revaluation reserve, the cash flow hedge reserve, a reserve for fair value increases as well as retained earnings from previous years. This equity amounts to EUR 4,468 million at end of 2024 (2023: EUR 4,412 million). A full breakdown of total equity is included in the annual report (pp. 180-181).

BNG's Additional Tier 1 capital amounts to EUR 309 million. Additional Tier 1 capital concerns perpetual loans involving an annual non-cumulative discretionary payment on the outstanding principal amount, subject to compulsory amortisation in the event that the CET1 ratio falls below 5.125%. The payment qualifies as dividend under IFRS and is charged to the Other reserves. The instrument is structured in line with CRR requirements and the EBA guidelines and qualifies as Additional Tier 1 capital. BNG has the unilateral contractual option of repaying the perpetual capital instruments on the sixth coupon due date and subsequently every year on the coupon due date.

The table shows the reconciliation of regulatory own funds to balance sheet.

The comparative figures of debt securities and funds entrusted have been adjusted due to a change in the classification of privately issued bonds with characteristics of both debt securities and funds entrusted, as disclosed in the Annual Report 2024.

		a	b	a	b	Source
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation	
		31-12-2024		31-12-2023		
Assets						
1	Cash and balances held with central banks	6,625	6,625	1,617	1,617	
2	Amounts due from banks	804	804	622	622	
3	Cash collateral posted	3,545	3,545	4,751	4,751	
4	Financial assets at fair value through the income statement	757	757	911	911	
5	Derivatives	3,979	3,979	3,011	3,011	

	a	b	a	b	
6	Financial assets at fair value through other comprehensive income	11,322	11,322	10,193	10,193
7	Interest-bearing securities at amortised cost	9,133	9,133	8,829	8,829
8	Loans and advances at amortised costs	94,537	94,537	90,497	90,497
9	Value adjustments on loans in portfolio hedge accounting	-2,953	-2,953	-5,037	-5,037
10	Associates and joint ventures	16	16	22	22
11	Property & equipment	17	17	15	15
12	Other assets	104	104	89	89
13	Current tax assets	55	55	18	18
14	Assets held for sale	-	-	2	2
15	Total assets	127,941	127,941	115,540	115,540
	Liabilities				
16	Amounts due to banks	1,639	1,639	905	905
17	Cash collateral received	1,533	1,533	656	656
18	Financial liabilities at fair value through the income statement	254	254	260	260
19	Derivatives	5,546	5,546	6,363	6,363
20	Debt securities	103,383	103,383	93,039	93,039
21	Funds entrusted	10,517	10,517	9,302	9,302
22	Subordinated debts	19	19	18	18
23	Current tax liabilities	-	-	-	-
24	Deferred tax liabilities	39	39	19	19
25	Other liabilities	234	234	257	257
26	Total Liabilities	123,164	123,164	110,819	110,819
	Equity				
27	Share capital	139	139	139	139 CCI-1
28	Share premium reserve	6	6	6	6 CCI-1
29	Retained earnings	4,089	4,089	3,970	3,970 CCI-2
30	Revaluation reserve	-172	-172	-8	-8 CCI-3
31	Cash flow hedge reserve	9	9	6	6 CCI-3

		a	b		a	b	
32	Own credit adjustment	9	9		4	4	CC1-3
33	Cost of hedging reserve	94	94		41	41	CC1-3
34	Net profit	294	294		254	254	
35	Equity attributable to shareholders	4,468	4,468		4,412	4,412	
36	Additional Tier 1 capital	309	309		309	309	CC1-31
37	Total equity	4,777	4,777		4,721	4,721	
38	Total liabilities and equity	127,941	127,941		115,540	115,540	

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

BNG applies, in line with the Capital Requirements Regulations, the following prudential filters to the CET1 capital:

- The cash flow hedge reserve is eliminated.
- The benefits arising from own credit risk (DVA) in derivatives transactions are eliminated.
- The benefits arising from ‘own credit risk’ in relation to obligations classified as Financial liabilities at fair value through the income statement are eliminated.
- Due to the regulations on prudent valuation, an adjustment is calculated in relation to the balance sheet valuation of assets and liabilities that are carried at fair value.
- The investments in the development of software is activated and amortised over three years. After a correction for ‘deferred tax’, the total of these intangible assets is deducted.
- The expected credit loss allowance of Financial assets at fair value through OCI.

Due to a difference between the IFRS provisions and the supervisory expectations thereof for non performing loans, an additional CET1 deduction of EUR 3 million is applied.

BNG does not have any positions with a 1250% solvency weighting in both 2024 and 2023.

BNG Bank N.V.			
1	Issuer	BNG Bank N.V.	BNG Bank N.V.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)		XS1453520378
2a	Public or private placement	private	private
3	Governing law(s) of the instrument	Laws of the Netherlands	Laws of the Netherlands
3a	Contractual recognition of write down and conversion powers of resolution authorities	n/a	yes
Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1
6	Eligible at solo / (sub-)consolidated / solo&(sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary share	Perpetual Capital Security
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date).	EUR 145	EUR 309
9	Nominal amount of instrument	EUR 139	EUR 309
EU-9a	Issue price	n/a	100% for 1st tranche at 28/07/2016

BNG Bank N.V.

			(two follow-up tranches were issued in second half of 2016 on same terms at 100.34% and 99.72% respectively)
EU-9b	Redemption price	n/a	Subject to write down
10	Accounting classification	Shareholders'equity	Equity
11	Original date of issuance	23 December 1914	28 July 2016
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	no maturity	no maturity
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates, and redemption amount	n/a	16 May 2022 and every interest payment date thereafter, Tax and/or regulatory event call, Redemption at prevailing principal amount
16	Subsequent call dates, if applicable	n/a	Interest payment date (16 May)
Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	n/a	4.742%, resettable on 16 May 2027 and every 5 years afterwards equal to prevailing 5-year Mid-Swap Rate plus initial margin
19	Existence of a dividend stopper	n/a	n/a
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	n/a	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	n/a	n/a
25	If convertible, fully or partially	n/a	n/a
26	If convertible, conversion rate	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a

BNG Bank N.V.

28	If convertible, specify instrument type convertible into	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a
30	Write-down features	No	Yes
31	If write-down, write-down trigger(s)	n/a	CET1 ratio < 5.125%
32	If write-down, fully or partially	n/a	Partially
33	If write-down, permanent or temporary	n/a	Temporary
34	If temporary write-down, description of write-up mechanism	n/a	Pro rata with other Discretionary Temporary Write-down Instruments, subject to MDA and Maximum Write-up Amount
34a	Type of subordination (only for eligible liabilities)	n/a	n/a
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1 instruments	Tier 2 instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	n/a	n/a
37a	Link to the full term and condition of the instrument (signposting)	Private placement	Private placement

Countercyclical capital buffers



EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

	a	b	c	d	e	f	g	h	i	j	k	l	m
31-12-2024	General credit exposures		Relevant credit exposures – market risk		Securitisation exposure	Total exposure value	Own funds requirements			Risk-weighted exposure amounts	Own funds requirements weight (%)	Counter cyclical buffer rate (%)	
			Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				
	Exposure value under the IRB approach	Exposure value for non-trading book			Total								
													Exposure value SA
Belgium	109	–	–	–	12	121	9	–	–	9	109	1.38%	1.00%
Germany	75	–	–	–	–	75	2	–	–	2	31	0.40%	0.75%
Spain	–	–	–	–	93	93	–	–	2	2	29	0.37%	0.00%
France	622	–	–	–	264	886	8	–	2	10	121	1.55%	1.00%
Great Britain	1,194	–	–	–	–	1,194	35	–	–	35	440	5.60%	2.00%
Italy	–	–	–	–	56	56	–	–	1	1	11	0.14%	0.00%
Netherlands	9,926	–	–	–	3,478	13,404	536	–	33	569	7,110	90.53%	2.00%
Portugal	–	–	–	–	11	11	–	–	–	–	2	0.03%	0.00%
Total	11,926	–	–	–	3,914	15,840	590	–	38	628	7,853	100.00%	

	a	b	c	d	e	f	g	h	i	j	k	l	m
31-12-2023	General credit exposures		Relevant credit exposures – market risk		Securitisation exposure	Total exposure value	Own funds requirements			Risk-weighted exposure amounts	Own funds requirements weight (%)	Counter cyclical buffer rate (%)	
			Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book				Total
	Exposure value SA	Exposure value under the IRB approach			Exposure value for non-trading book								
Belgium	113	–	–	–	–	113	9	–	–	9	113	1.64%	0.00%
Germany	151	–	–	–	–	151	7	–	–	7	88	1.27%	0.75%
Spain	–	–	–	–	132	132	–	–	3	3	42	0.60%	0.00%
France	509	–	–	–	283	792	5	–	3	8	97	1.40%	0.50%
Great Britain	1,602	–	–	–	–	1,602	45	–	–	45	557	8.06%	2.00%
Ireland	27	–	–	–	–	27	2	–	–	2	27	0.39%	1.00%
Italy	–	–	–	–	59	59	–	–	1	1	12	0.17%	0.00%
Netherlands	7,915	–	–	–	4,063	11,978	439	–	38	477	5,964	86.28%	1.00%
Portugal	–	–	–	–	31	31	–	–	1	1	13	0.19%	0.00%
Total	10,317	–	–	–	4,568	14,885	507	–	46	553	6,913	100.00%	

EU CCyB2 – Amount of institution-specific countercyclical capital buffer

	a	b
Amount of institution-specific countercyclical capital buffer	31-12-2024	31-12-2023
1 Total risk exposure amount	10,294	9,564
2 Institution specific countercyclical buffer rate	1.95%	1.04%
3 Institution specific countercyclical buffer requirement	201	100

Leverage ratio



EU LRI – Summary reconciliation of accounting assets and leverage ratio exposures

		a	a
		31-12-2024	31-12-2023
1	Total assets as per published financial statements	127,941	115,540
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0	0
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))	-	-
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	-1,584	1,477
9	Adjustments for securities financing transactions "SFTs"	475	143
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3,116	1,910
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	-91,441	-86,084
13	Total leverage ratio exposure	38,507	32,986

EU LR2 – Leverage ratio common disclosure

		a	a
		CRR Leverage ratio exposures	
		31-12-2024	31-12-2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	126,839	117,498
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)	-3,470	-4,683
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	-61
7	Total on-balance sheet exposures (excluding derivatives, SFTs)	123,335	112,754
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	527	1,547
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	1,868	2,941
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
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)	-	-
13	Total derivative exposures	2,395	4,488
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	2,566	1,560

		a	a
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-2,489	-1,493
16	Counterparty credit risk exposure for SFT assets	474	142
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	551	209
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	9,058	10,556
20	(Adjustments for conversion to credit equivalent amounts)	-5,942	-8,646
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet exposures	3,116	1,910
	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 (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-90,890	-86,375
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
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)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-90,890	-86,375
	Capital and total exposures		
23	Tier 1 capital	4,449	4,406
24	Total exposure measure	38,507	32,986
	Leverage ratio		

		a	a
25	Leverage ratio	11.55%	13.36%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	3.44%	3.69%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.55%	13.36%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	81	549
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	76	67
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	38,512	33,468
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	38,512	33,468
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11.55%	13.16%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	11.55%	13.16%

EU LR3 – Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a	a
		CRR Leverage ratio exposures	
		31-12-2024	31-12-2023
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	33,619	26,440
EU-2	Trading book exposures	-	-
EU-3	Banking book exposures, of which:	33,619	26,440
EU-4	Covered bonds	2,820	2,646
EU-5	Exposures treated as sovereigns	18,171	11,424
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	56	434
EU-7	Institutions	89	537
EU-8	Secured by mortgages of immovable properties	-	-
EU-9	Retail exposures	-	-
EU-10	Corporate	8,077	6,234
EU-11	Exposures in default	416	519
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	3,992	4,646

EU LRA – Disclosure of LR qualitative information

The leverage ratio requirement is applicable to BNG from a regulatory perspective. Public development credit institutions such as BNG are allowed to exclude exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments, and promotional loans from the total exposure measure. Internally We also define a minimum requirement for the unadjusted leverage ratio. The unadjusted leverage ratio is the leverage ratio defined in CRR3 without (i.a.) deducting the above mentioned exposure from the total exposure measure.

A minimum target capitalization is applied for the leverage ratio, as well as for the unadjusted leverage ratio. The minimum targets are based on regulatory requirements, any requirements from rating agencies and the capitalization of peers. On top of that, a buffer is defined to take into account additional risks, such that the minimum requirements are not breached in institution specific adverse scenarios. The business planning is such that the targets are adhered to. As described in the section “EU OVC – ICAAP information” of this report, on an ongoing basis, capital adequacy is measured and monitored against target capital ratios.

In case the capital planning for the leverage ratio would show a potential shortfall, we would consider capital measures as well as balance sheet measures, with a preference to capital measures in order not to curtail client lending.

The leverage ratio at year-end 2024 was 11.55%, lower than the 13.36% at the end of 2023. The leverage ratio mainly decreased due to a higher exposure at year end 2024. The total Tier 1 Capital remain stable.

Liquidity requirements



EU LIQA – Liquidity risk management

The Treasury department is the ‘first line of responsibility’, and is responsible for the day-to-day liquidity and funding risk management. The department, in this role, is responsible for attracting funding. They are mandated to assume a liquidity risk position within the limits and triggers stated by the liquidity and funding risk policy. They operate on the basis of the annual funding plan. This plan is approved by the Asset & Liability Committee (ALCO), which also decides in case of significant deviations during the year.

Financial Risk Management is the ‘second line of responsibility’ and is tasked to monitor liquidity risk independently. It performs daily reviews to ensure the risk positions are within the limits cascaded from the Risk Appetite and set by the ExCo and SB. Measurements in scope are related to the liquidity gap, refinancing risk and stress testing. Financial Risk Management independently prepares reports for the ALCO, challenges the first line and provides risk analyses and advice, both proactively and upon request. Moreover, Financial Risk Management also periodically updates the assumptions used, maintains the set of policies, frameworks, tooling, procedures and reporting, and incorporates new regulations in their revision. By participating in the product approval process, the department also plays an important role in identifying and assessing (new) liquidity risks caused by new or changed activities.

The risk measures are monitored and reported on a daily basis to the ALCO members as well as the Treasury department. The daily measures are summarized in a monthly dashboard, which is discussed in the regular ALCO meetings. In addition, these measures and limit monitoring are summarized in the quarterly integrated risk report, which is presented to and discussed in the ExCo, the Risk Committee of the SB and the SB itself.

The ALCO discusses limit adjustments and decides on market risk policies and is responsible for decision taking within the boundaries set in the policy. The ALCO consists of the CFO (Chair), the CRO, the CCO, the head of Treasury, the head of Treasury & Portfolio Management, the head of Financial Risk Management and the head of Financial Risk Management ALM. Depending on the agenda, the ALCO is supplemented with other participants.

The Contingency Funding Plan (CFP) can be activated when there is a potential need to provide liquidity due to a breach of the limits or triggers, or if this is deemed necessary by Treasury, Financial Risk Management or the ALCO. Temporary procedures for more intensive liquidity management and temporary control of liquidity management by the liquidity continuity team form the key elements of this plan.

Liquidity Risk management

BNG wants to maintain a constant and stable presence in the capital markets, because we want to meet the demand for credit from our clients even in difficult times. We also pursue a prudent liquidity policy to ensure that we can meet our obligations at all times. In this context, ongoing access to the money and capital markets is essential, along with the ongoing maintenance of attractive, varied and sufficiently large issuance programmes. In addition, buffers are required in order to have access to liquidity in times of stress. One such buffer is formed by assets held explicitly for liquidity purposes, known as the liquidity portfolio. The management of the size and composition of this portfolio is one of the liquidity measures taken to comply with the requirement under the CRR to have a Liquidity Coverage Ratio of at least 100%.

BNG also holds ample quantity of collateral in the Central Bank Depot, which enables us to obtain immediate short-term funding. Since the largest part of all our assets could serve as collateral at the ECB, this collateral may be further extended in the event of prolonged stress. The size of the buffers is tested in the liquidity stress tests, which are monitored on at least a monthly basis. Furthermore, the funding plan and the corresponding planned liquidity gap are tested in adverse normative stress scenarios, aggregated and shown in the output by means of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Despite the adverse and challenging market and geopolitical conditions, we consider our liquidity management to have been adequate in 2024 and the strength of the liquidity position to be amply sufficient as well as compliant with the regulatory standards and limits set by the ALCO. All in all, we were able to operate effectively in both the capital markets and the money markets. We remained within its risk appetite regarding liquidity risk. As at end of 2024, the LCR ratio amounted to 217% (2023: 143%) and the NSFR ratio amounted to 139% (2023: 137%).

EU LIQ1 – Quantitative information of LCR

		a	b	c	d	e	f	g	h	i	j
	Scope of consolidation (consolidated)	Total unweighted value					Total weighted value				
EU 1a	Currency and units (EUR million)	31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023	31-12-2024	30-9-2024	30-6-2024	31-3-2024	31-12-2023
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12	12	12
	High-quality liquid assets										
1	Total high-quality liquid assets (HQLA)						25,507	25,115	28,555	33,137	36,708
	Cash-outflows						-	-	-	-	-
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-	-	-
3	- Stable deposits	-	-	-	-	-	-	-	-	-	-
4	- Less stable deposits	-	-	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	16,432	16,445	17,928	20,306	21,737	13,764	13,873	15,597	17,881	19,198
6	- Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-	-	-
7	- Non-operational deposits (all counterparties)	5,677	5,463	4,673	5,117	5,429	3,008	2,891	2,342	2,692	2,890
8	- Unsecured debt	10,755	10,982	13,255	15,189	16,308	10,754	10,982	13,255	15,189	16,308
9	Secured wholesale funding						137	96	62	76	156
10	Additional requirements	8,087	8,046	7,638	7,555	7,501	5,028	5,094	4,978	4,918	4,905
11	- Outflows related to derivative exposures and other collateral requirements	6,328	6,268	5,800	5,645	5,514	4,782	4,863	4,776	4,728	4,708
12	- Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
13	- Credit and liquidity facilities	1,758	1,778	1,838	1,910	1,987	247	231	202	190	197

		a	b	c	d	e	f	g	h	i	j
14	Other contractual funding obligations	809	866	779	781	708	809	866	779	779	704
15	Other contingent funding obligations	6,084	6,219	6,203	6,427	6,473	589	605	606	628	630
16	Total cash outflows	-	-	-	-		20,327	20,534	22,022	24,282	25,593
	Cash-inflows	-	-	-	-		-	-	-	-	
17	Secured lending (eg reverse repos)	170	172	578	1,030	1,375	127	87	87	86	125
18	Inflows from fully performing exposures	1,366	1,403	1,371	1,420	1,455	782	832	812	835	850
19	Other cash inflows	2,229	2,402	2,513	2,547	2,306	2,229	2,402	2,513	2,547	2,306
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)						-	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)						-	-	-	-	-
20	Total cash inflows	3,765	3,977	4,462	4,997	5,136	3,138	3,321	3,412	3,468	3,281
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	3,722	3,892	4,014	4,096	3,930	3,138	3,321	3,412	3,468	3,281
	Total Adjusted value						-				
21	Liquidity buffer						25,498	25,034	28,475	33,056	36,628
22	Total net cash outflows						17,189	17,213	18,610	20,814	22,312
23	Liquidity coverage ratio (%)						153%	145%	155%	162%	167%

EU LIQB – Qualitative information on LCR, which complements template EU LIQ1

The template provides an overview of the LCR during 2024. For disclosure purposes, our LCR is based on the average of 12 monthly data points for each quarter. The LCR remains well above the regulatory minimum requirements.

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

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 changed during 2024 which resulted in a lower average Liquidity coverage ratio.

The majority of funding is acquired from international capital markets. BNG distinguishes between short-term and long-term funding (turning point: 1 year). We maintain a number of issuance programs that enable us to have access to funding at all times at competitive levels. We pursue proactive investor relations which support these efforts. In the area of funding, the main currencies for BNG are euro and US dollar. We use derivatives (interest rate swaps, FX swaps and cross currency swaps) to mitigate our interest rate risk and currency risk (to euro). The additional collateral requirements in the event of a decline in fair value of derivatives are based on a historical look-back approach.

Funding types

The following resources are used for short-term funding (money markets):

- Commercial Paper: BNG has a European Commercial Paper (ECP) programme of EUR 20 billion and a US Commercial Paper (USCP) programme of USD 20 billion. Under normal market circumstances, a substantial margin is maintained between the maximum size allowed under the programme and our actual usage.
- Uncleared repurchase transactions with interbank parties under a Global Master Repurchase Agreement (GMRA), where BNG's liquidity portfolio is used to pledge as collateral.
- Deposits from institutional money market parties.

The following programmes are available for long-term funding (capital markets):

- Debt Issuance Programme (DIP) of EUR 110 billion. Environmental, Social and Governance (ESG) bonds are also issued under this programme.
- Kangaroo-Kauri Programme of AUD 15 billion, specifically for the Australian and New Zealand market. ESG bonds are also issued under this programme.
- Samurai shelf registration and Uridashi shelf registration, specifically for domestic Japanese investors.
- Namen-Schuld-Verschreibungen (NSV), under German Law.
- Private loan agreements under different legislations.

BNG also uses the following alternative funding sources:

- Long-term funding instruments provided by the European Central Bank, such as MRO and LTRO.
- Global loans from the European Investment Bank and the Council of Europe Development Bank.
- Guaranteed Investment Contracts (GICs).

Note that BNG does not enter into transactions with private individuals.

We have a funding plan, in which the desired funding mix is described in detail. Part of the funding plan is the annual issuance in benchmark size to maintain a 'BNG curve' in the market. These large-scale issuances of an issuer with its creditworthiness linked to the Dutch state ensure that we have a high profile among investors, allowing us to retain access to investors even in times of market stress. The actual realisation of the funding plan is monitored and evaluated by the ALCO, by means of a quarterly funding dashboard provided by Treasury.

EU LIQ2 – Net Stable Funding Ratio

		a	b	c	d	e
31-12-2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,165	309	–	–	4,474
2	– Own funds	4,165	309	–	–	4,474
3	– Other capital instruments		–	–	–	–
4	Retail deposits		–	–	–	–
5	– Stable deposits		–	–	–	–
6	– Less stable deposits		–	–	–	–
7	Wholesale funding:		25,184	6,281	86,860	92,215
8	– Operational deposits		–	–	–	–
9	– Other wholesale funding		25,184	6,281	86,860	92,215
10	Interdependent liabilities		–	–	–	–
11	Other liabilities:	–	337	152	2,734	2,810
12	– NSFR derivative liabilities	–				
13	– All other liabilities and capital instruments not included in the above categories		337	152	2,734	2,810
14	Total available stable funding (ASF)					99,499

31-12-2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					2,536
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:		6,935	4,935	87,703	64,584
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		–	–	–	–

31-12-2024

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,290	79	2,821	2932
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		5,503	4,807	83,228	60,146
21	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,231	4,561	78,762	56,092
22	Performing residential mortgages, of which:		-	-	-	-
23	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	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		143	50	1,654	1,506
25	Interdependent assets		-	-	-	-
26	Other assets:		3,948	22	4,309	4,065
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		3	-	3,978	3,382
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		3,431			172
31	All other assets not included in the above categories		514	22	330	512
32	Off-balance sheet items		39	61	1,596	92
33	Total RSF					71,661

34	Net Stable Funding Ratio (%)	138.85%
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		a	b	c	d	e
30-9-2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,217	-	309	-	4,526
2	- Own funds	4,217	-	309	-	4,526
3	- Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	- Stable deposits		-	-	-	-
6	- Less stable deposits		-	-	-	-
7	Wholesale funding:		39,074	9,932	84,395	93,178
8	- Operational deposits		-	-	-	-
9	- Other wholesale funding		39,074	9,932	84,395	93,178
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	343	180	3,551	3,641
12	- NSFR derivative liabilities	-				
13	- All other liabilities and capital instruments not included in the above categories		343	180	3,551	3,641
14	Total available stable funding (ASF)					101,345

30-9-2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					2,748
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:		5,976	4,353	85,874	62,704
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		114	42	1,442	1474
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		5,797	4,270	82,546	59,569

30-9-2024

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
21	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,404	4,096	78,148	55,546
22	Performing residential mortgages, of which:		-	-	-	-
23	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	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		65	41	1,886	1,661
25	Interdependent assets		-	-	-	-
26	Other assets:		4,759	11	3,860	4,011
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		3	-	3,523	2,997
29	NSFR derivative assets		309			309
30	NSFR derivative liabilities before deduction of variation margin posted		4,040			202
31	All other assets not included in the above categories		407	11	338	503
32	Off-balance sheet items		68	21	1,732	98
33	Total RSF					69,561
34	Net Stable Funding Ratio (%)					145.69%

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,242	-	309	-	4,242
2	- Own funds	4,242	-	309	-	4,242
3	- Other capital instruments		-	-	-	-

		a	b	c	d	e
4	Retail deposits		-	-	-	-
5	- Stable deposits		-	-	-	-
6	- Less stable deposits		-	-	-	-
7	Wholesale funding:		25,946	7,911	82,759	88,881
8	- Operational deposits		-	-	-	-
9	- Other wholesale funding		25,946	7,911	82,759	88,881
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	1,346	361	5,879	6,060
12	- NSFR derivative liabilities	-				
13	- All other liabilities and capital instruments not included in the above categories		1,346	361	5,879	6,060
14	Total available stable funding (ASF)					99,183

30-6-2024

		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)					2,072
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:		9,311	5,249	86,375	63,931
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		3,833	718	2,301	3019
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		5,408	4,478	82,222	59,272
21	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,018	4,167	77,802	55,163
22	Performing residential mortgages, of which:		-	-	-	-
23	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-

30-6-2024

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
24	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		70	53	1,852	1,640
25	Interdependent assets		-	-	-	-
26	Other assets:	-	4,683	40	3,677	4,153
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	3,347	2,845
29	NSFR derivative assets		272			272
30	NSFR derivative liabilities before deduction of variation margin posted		3,338			167
31	All other assets not included in the above categories		1,073	40	330	869
32	Off-balance sheet items		55	37	1,663	95
33	Total RSF					70,251
34	Net Stable Funding Ratio (%)					141.18%

		a	b	c	d	e
31-3-2024		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,546	-	-	-	4,546
2	- Own funds	4,546	-	-	-	4,546
3	- Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	- Stable deposits		-	-	-	-
6	- Less stable deposits		-	-	-	-
7	Wholesale funding:		52,799	3,445	84,354	88,640
8	- Operational deposits		-	-	-	-

		a	b	c	d	e
9	- Other wholesale funding		52,799	3,445	84,354	88,640
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	1,073	250	4,635	4,758
12	- NSFR derivative liabilities	-				
13	- All other liabilities and capital instruments not included in the above categories		1,073	250	4,635	4,758
14	Total available stable funding (ASF)					97,944

31-3-2024

		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)					1,326
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:		6,899	4,551	85,187	62,355
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,342	38	2,238	2339
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		5,488	4,460	81,201	58,464
21	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		5,209	4,176	77,664	55,174
22	Performing residential mortgages, of which:		-	-	-	-
23	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	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		69	54	1,749	1,552
25	Interdependent assets		-	-	-	-
26	Other assets:		5,302	52	3,627	4,106
27	Physical traded commodities					

		a	b	c	d	e
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	3,285	2,793
29	NSFR derivative assets		303			303
30	NSFR derivative liabilities before deduction of variation margin posted		4,034			202
31	All other assets not included in the above categories		965	52	342	808
32	Off-balance sheet items		34	68	1,666	96
33	Total RSF					68,483
34	Net Stable Funding Ratio (%)					143.02%

		a	b	c	d	e
31-12-2023		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
1	Capital items and instruments	4,157	309	-	-	4,157
2	- Own funds	4,157	309	-	-	4,157
3	- Other capital instruments		-	-	-	-
4	Retail deposits		-	-	-	-
5	- Stable deposits		-	-	-	-
6	- Less stable deposits		-	-	-	-
7	Wholesale funding:		20,261	7,236	77,625	83,034
8	- Operational deposits		-	-	-	-
9	- Other wholesale funding		20,261	7,236	77,625	83,034
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-40	1,012	250	4,455	4,580
12	- NSFR derivative liabilities	-40				
13	- All other liabilities and capital instruments not included in the above categories		1,012	250	4,455	4,580
14	Total available stable funding (ASF)					91,772

31-12-2023

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
15	Total high-quality liquid assets (HQLA)					1,709
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:		6,216	4,645	83,872	61,291
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		998	489	1,921	2237
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		5,104	4,109	80,076	57,374
21	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		4,835	3,881	76,483	54,072
22	Performing residential mortgages, of which:		-	-	-	-
23	- With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	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		115	46	1,875	1,679
25	Interdependent assets		-	-	-	-
26	Other assets:		5,978	41	3,133	3,919
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	2,773	2,358
29	NSFR derivative assets		514			514
30	NSFR derivative liabilities before deduction of variation margin posted		4,468			223
31	All other assets not included in the above categories		996	41	360	824
32	Off-balance sheet items		38	65	1,663	96
33	Total RSF					67,015
34	Net Stable Funding Ratio (%)					136.94%

Credit risk



Credit risk quality

EU CRA – General qualitative information about credit risk

Credit risk affects a bank's value and earnings. It arises from uncertainty in a counterparty's ability or willingness to meet financial obligations. This includes repaying loans or fulfilling contractual terms. Our risk appetite statement defines key indicators to manage our credit risk profile.

In the application of the articles 442 to 453 of the CRR, the templates and tables in this section provide further qualitative and quantitative insight into the credit risk profile of BNG. This chapter starts with information with respect to the credit quality of assets. Following, the use of credit mitigation techniques that are applied. Finally, insights will be provided on how credit risk management is conducted concerning clients and/or counterparties.

Our approach to credit risk management is anchored in a comprehensive framework that aligns with our overall strategy and risk appetite. This framework is articulated through a series of detailed policies and standards that provide clear guidelines for managing credit risk across the organization. The responsibility for credit risk management is shared between the first and second lines of responsibility, with the business units taking primary ownership of risk assessment, management, and monitoring as the first line. The second line of responsibility plays a crucial role in establishing risk boundaries and continuously assessing whether credit risk exposures remain within acceptable limits for both BNG as a whole and individual business lines. This dual-layered approach ensures a robust system of checks and balances. Additionally, the entire credit risk management process is subject to independent review by the Internal Audit, which serves as the third line of responsibility providing an extra layer of oversight and assurance. This multi-tiered structure reinforces BNG's commitment to maintaining a strong credit risk management culture throughout the organization.

All clients are subject to an assessment of creditworthiness whereby an estimate of the credit risk is made based on financial and non-financial drivers using BNG's internal

methodologies. Continuous and systematic monitoring of counterparties, exposures, risk mitigants, and adherence to internal policies is essential to protect our position against all risks linked to the counterparty, credit type, or portfolio. This monitoring process begins as soon as the credit facility is approved and is maintained periodically throughout the entire duration of the credit facility and the relationship with the counterparty. It remains in place until the loan is fully repaid or the credit limit is terminated.

BNG has sector specific policy papers which details the risk appetite of BNG in various market segments. In addition, the internal risk assessment process is tailored for transactions that includes the assessment of operational risk elements. Hereby extensive qualitative product descriptions are used, in which the appropriateness of the product for different types of clients is made explicit.

We conduct business only with financial counterparties that have a minimum rating of 'A-' from an external credit rating agency. We utilize external credit assessment institutions (ECAIs) that are approved under the Eurosystem Credit Assessment Framework (ECAAF), such as Moody's, Fitch Ratings, and Standard & Poor's (S&P). Financial counterparties are periodically evaluated for their creditworthiness. If required, the maximum exposure limit to a counterparty is adjusted accordingly. The Credit Committee Treasury is responsible for setting these limits and monitoring positions with financial counterparties.

Interest-Bearing Securities portfolio

BNG’s total Interest-Bearing Securities portfolio can be subdivided into three categories: a Liquidity portfolio, an Asset & Liability Management (ALM) portfolio and a Credit portfolio.

The Liquidity portfolio consists exclusively of highly rated securities and is subdivided according to the various Liquidity Coverage Ratio (LCR) levels.

The ALM-portfolio is subdivided according to the type of security. We monitor individual developments using factors such as external ratings and, to some extent, internal ratings. RMBS undergo a thorough due diligence review process.

The credit portfolio consists of various interest-bearing securities issued by clients. These securities follow regular credit processes regarding the monitoring of creditworthiness and credit classification.

The assets within these portfolios undergo an impairment analysis at least twice a year.

Governance

The first line of responsibility comprises by Lending, Relationship Banking, and Treasury and Capital Markets. These departments are responsible for the day-to-day management of credit risks. The Lending and the Relationship Banking departments are primarily responsible for managing credit risks arising from commercial activities. The Treasury and Capital Markets department is primarily responsible for managing BNG's credit risks related to financial counterparties and investments.

The Credit Risk Management department is responsible, as the second line of responsibility, for assessing, quantifying, monitoring, and reporting on credit risks. This department

operates independently of the commercial departments, which are the risk owners of the credit risk. The Credit Risk Management department provides an independent evaluation of each credit proposal. The decision-making process is based on three key factors: the internal credit assessment, the rating derived from this assessment, and the size of the loan. This comprehensive approach ensures a thorough and objective analysis of every credit application. BNG’s risk appetite defines the maximum level of credit risk that we are willing to accept for a client with a specific internal credit rating or score. All credit proposals must align with this predetermined risk threshold. The Credit Committee (CC) evaluates and approves credit risks based on the exposure size and risk profile. For loans and advances with a limited risk, the credit decisions are delegated within the organization. The CC is chaired by the Chief Risk Officer (CRO), and includes the Chief Commercial Officer (CCO), along with representatives from the Credit Risk Management department and Relationship Banking.

Following the approval of a credit proposal and the client's acceptance of the offer, the credit management process begins. This process encompasses the following key elements:

- File Completion: The CCO Teams are responsible for completing the file with all relevant documentation.
- Ongoing File Management: The CCO Teams oversee comprehensive file management, which includes: Monitoring of securities, Tracking and enforcement of covenants.


The creditworthiness of borrowers is reviewed at least once a year. This process includes updating the internal rating or score. Each credit review adheres to the credit risk assessment criteria outlined in BNG’s credit risk policy. These reviews are evaluated by the Credit Committee, with a delegation model also in place. Loans and advances with a credit quality (rating or score) that has fallen below a certain threshold are subject to heightened management oversight and, if necessary, are transferred to the Financial Restructuring and Recovery (FR&R) department.

In below table, a description is provided of the specific internal ratings within BNG.

Internal rating	Description
0	Zero risk-weighted lending.
1 through 11	The credit risk is deemed acceptable. A regular annual review is performed.
12 through 13	Watch list: there is an increased credit risk. A review takes place at least twice a year.
14 through 16	Financial restructuring and recovering department: there is an increased creditrisk. At least three times a year, a report on these debtors is submitted to the Executive Board.
17 through 21	Financial restructuring and recovering department: there is an increased credit risk and/or the debtor repeatedly fails to fulfil the payment obligations and/or there is no expectation of continuity. At least three times a year, a report on these debtors is submitted to the Executive Board.

Furthermore, below table provides an overview of the distribution of the loan portfolio across those ratings.

	31-12-2024		31-12-2023	
Loans and advances	Exposure to loans and advances and off-balance, excluding incurred loss provision	% of total	Exposure to loans and advances and off-balance, excluding incurred loss provision	% of total
Zero-risk-weighted	92,719	88.13%	89,148	86.82%
Non-zero-risk-weighted				
Internal rating:				
• 1 through 11	11,390	10.83%	12,249	11.93%
• 12 through 13	143	0.14%	340	0.33%
• 14 through 16	732	0.70%	645	0.63%
• 17 through 21	228	0.22%	304	0.30%
	12,493	11.87%	13,538	13.18%
Total	105,212	100.00%	102,685	100.00%



BNG has a comprehensive internal risk management structure designed to effectively control our credit risks. This organization aligns with the diversity and complexity of our lending activities and is structured as follows: Credit risk decisions for individual client loans are made by the Credit Committee or its delegated authority level. This process ensures a robust governance structure for credit risk assessment and management, aligning with our risk appetite framework and regulatory requirements. The Credit Risk Policy Committee establishes relevant policies and oversees the monitoring and management of risks related to lending at the portfolio level.

The Credit Committee Treasury is mandated to determine and manage the credit policy for financial counterparties and to approve individual agreements with financial counterparties. Additionally, this committee monitors and manages the BNG's credit risks with financial counterparties and investments, including the potential impact of Environmental, Social, and Governance (ESG) factors on these matters. The Asset and Liability Committee (ALCO) is responsible for decisions regarding the capitalization and pricing of credit risk, as well as stress testing. It also provides advice on the implementation of new (relevant) regulations. Furthermore, ALCO approves strategies for investments in interest-bearing securities.

EU CRB – Additional disclosures related to the credit quality of assets

In the context of our risk management framework, the credit portfolio is subject to continuous monitoring to identify early indicators of potential credit impairment among counterparties. Loans that exhibit elevated risk levels are systematically categorized, with individual counterparties assigned to specific risk classifications. This structured approach enhances the effectiveness of our monitoring and review processes, ensuring timely identification and management of credit risks in alignment with regulatory requirements and our internal risk appetite framework.

Forborne exposures

Forbearance refers to the modification of credit terms in favour of a borrower who is experiencing financial difficulties. This practice involves lenders making concessions to the original credit agreement, allowing the debtor to meet their financial obligations despite their precarious economic situation. Such accommodations are specifically granted in response to the borrower's financial difficulties and would not have been offered under normal circumstances. The primary goal of forbearance is to provide temporary relief to struggling debtors, enabling them to navigate through their financial challenges while maintaining their credit commitments.

Non-performing / default exposures / stage 3

The classification of a financial instrument into Stage 3 is exclusively triggered by its default status. We have harmonized the definitions of default and impairment to ensure full alignment with the European Banking Authority's (EBA) guidelines on the application of default criteria. This synchronization guarantees consistency in our credit risk assessment methodologies and demonstrates our commitment to regulatory compliance. The transition of an instrument to Stage 3 signifies a substantial deterioration in its credit quality, indicating a significant increase in credit risk. Such a transition necessitates the implementation of appropriate provisioning measures and the application of enhanced

risk management strategies. By adhering to these stringent classification standards, we maintain transparency in our risk reporting and uphold the integrity of our financial disclosures in accordance with Pillar 3 requirements.

BNG applies the following criteria to designate exposures as non-performing:

- BNG considers that the obligor is unlikely to pay its credit obligations to BNG (unlikelihood to pay trigger);
- The obligor is past due 90 days or more on any material credit obligation to BNG;
- The obligor is past due 30 days or more on a forborne credit obligation to BNG.

If additional contract adjustments in favour of the obligor take place within two years after the application of a forbearance measure. BNG employs various indicators for 'unlikelihood to pay'. There are 'hard' triggers, 'soft' triggers and triggers specific for forborne exposures.

The term 'past due' refers to the payment arrears commencing at the moment on which payment was contractually due.

An exposure classified as non-performing can once again be regarded as performing if all of the following conditions are met:

- the debtor's situation has improved to the extent that the debtor is able to meet payment obligations according to an existing or adjusted payment profile ('likely to pay'); and
- an analysis of the obligor's financial situation has shown that the transactions no longer meet the conditions to be considered non-performing.

Reclassification to the status 'non-forborne performing' can only take place after the cure period. The cure period lasts one year from the moment the forbearance measure is taken, the classification as non-performing, or the end of any applicable grace period

In addition, BNG uses a number of additional outflow criteria for non-performing exposures with forbearance status.

Impairment of financial assets

BNG assesses on a forward-looking basis the expected credit losses (ECL). Financial assets that are not accounted as Fair Value through Profit and Loss migrate through the following three stages based on the change in credit risk since initial recognition. When a modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified asset, the date of modification shall be regarded as the date of initial recognition.

Stage 1: 12-month ECL

BNG recognizes an ECL allowance reflecting default events that are possible within the next 12 months for exposures without a significant increase in credit risk (SICR) since initial recognition, or fall under the low credit risk exemption.

Stage 2: lifetime ECL – not credit-impaired

BNG recognizes an ECL allowance reflecting default events that are possible during the remaining lifetime of the financial assets for exposures which have had a significant increase in credit risk since initial recognition and do not fall under the low credit risk exemption, but which are not considered credit-impaired.

Stage 3: lifetime ECL – credit-impaired

BNG assesses on an individual exposure level whether exposures are credit-impaired. This assessment is based on whether one or more events have occurred that have a detrimental impact on the estimated future cash flows of that asset.

Credit-impaired exposures are financial assets measured at amortized cost or fair value through other comprehensive income and off-balance sheet exposures for which a Stage 3 credit loss allowance was made. Exposures classified under Stage 1 or 2 are not classified as credit-impaired exposures.

EU CR1 – Performing and non-performing exposures loans and related provisions

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Accumulated partial write-off	Collateral and financial guarantees received	
31-12-2024	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									
		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	On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	6,627	6,627	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	98,721	97,880	600	460	-	460	-13	-3	-10	-44	-	-44	58,758	343
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,044	31,981	-	-	-	-	-	-	-	-	-	-	689	-
040	Credit institutions	3,971	3,971	-	-	-	-	-	-	-	-	-	-	801	-
050	Other financial corporations	1,200	1,199	2	34	-	34	-	-	-	-2	-	-2	331	32
060	Non-financial corporations	61,177	60,424	574	424	-	424	-12	-3	-9	-42	-	-42	56,663	309
070	of which SMEs	15,229	15,057	129	125	-	125	-2	-	-2	-	-	-	15,053	125
080	Households	329	305	24	2	-	2	-1	-	-1	-	-	-	274	2

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
090	Debt Securities	20,973	20,456	-	-	-	-	-	-	-	-	-	-	-	2,897	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	11,776	11,775	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,056	2,967	-	-	-	-	-	-	-	-	-	-	-	2,152	-
130	Other financial corporations	4,467	4,467	-	-	-	-	-	-	-	-	-	-	-	546	-
140	Non-financial corporations	1,674	1,247	-	-	-	-	-	-	-	-	-	-	-	199	-
150	Off-balance-sheet exposures	9,036	8,963	72	21	-	21	-	-	-	-1	-	-1	-	4,194	20
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	2,778	2,778	-	-	-	-	-	-	-	-	-	-	-	36	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	624	624	-	-	-	-	-	-	-	-	-	-	-	600	1
200	Non-financial corporations	5,581	5,508	72	21	-	21	-	-	-	-1	-	-1	-	3,526	19
210	Households	53	53	-	-	-	-	-	-	-	-	-	-	-	32	-
220	Total	135,357	133,926	672	481	-	481	-13	-3	-10	-45	-	-45	-	65,849	363

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								Accumulated partial write-off	Collateral and financial guarantees received	
31-12-2023	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	
	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					
Cash balances at central banks and other demand deposits															
005	1,620	1,620	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances															
010	95,635	94,174	1,195	598	-	598	-19	-5	-14	-80	-	-80	-	55,065	436
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,577	32,513	-	-	-	-1	-1	-	-	-	-	-	927	-
040	Credit institutions	4,868	4,868	-	-	-	-	-	-	-	-	-	-	618	-
050	Other financial corporations	1,441	1,390	51	37	-	37	-1	-	-1	-7	-	-7	399	31
060	Non-financial corporations	53,819	52,875	742	491	-	491	-14	-3	-11	-68	-	-68	50,719	372
070	of which SMEs	13,793	13,634	116	133	-	133	-3	-	-3	-	-	-	13,681	133
080	Households	2,930	2,528	402	70	-	70	-3	-1	-2	-5	-	-5	2,402	33
Debt Securities															
090	19,667	18,962	61	-	-	-	-1	-	-1	-	-	-	-	2,674	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
110	General governments	10,511	10,472	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,314	3,235	-	-	-	-	-	-	-	-	-	-	-	2,205	-
130	Other financial corporations	4,682	4,621	61	-	-	-	-1	-	-1	-	-	-	-	188	-
140	Non-financial corporations	1,160	634	-	-	-	-	-	-	-	-	-	-	-	281	-
150	Off-balance-sheet exposures	10,465	10,304	160	92	-	92	-1	-	-1	-5	-	-5	-	4,362	67
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	4,478	4,478	-	-	-	-	-	-	-	-	-	-	-	97	-
180	Credit institutions	6	6	-	-	-	-	-	-	-	-	-	-	-	6	-
190	Other financial corporations	720	720	-	7	-	7	-	-	-	-	-	-	-	703	7
200	Non-financial corporations	4,719	4,619	100	77	-	77	-	-	-	-5	-	-5	-	3,257	60
210	Households	542	481	60	8	-	8	-1	-	-1	-	-	-	-	299	-
220	Total	127,387	125,060	1,416	690	-	690	-21	-5	-16	-85	-	-85	-	62,101	503

EU CR1-A – Maturity of exposures

		a	b	c	d	e	f
31-12-2024		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	776	9,770	11,293	80,313	-	102,152
2	Debt securities	-	663	5,796	14,514	-	20,973
3	Total	776	10,433	17,089	94,827	-	123,125

		a	b	c	d	e	f
31-12-2023		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,142	3,223	10,758	76,764	-	91,887
2	Debt securities	-	624	4,307	14,735	-	19,666
3	Total	1,142	3,847	15,065	91,499	-	111,553

The exposure values in this table do not include off-balance exposure in contrast to the other tables. The total credit exposure is therefore lower than in the other tables.

EU CR2 – Changes in the stock of non-performing loans and advances

		a	a
		Gross carrying amount	
		31-12-2024	31-12-2023
010	Initial stock of non-performing loans and advances	598	848
020	Inflows to non-performing portfolios	66	40
030	Outflows from non-performing portfolios	204	290
040	- Outflows due to write-offs	18	60
050	- Outflow due to other situations	186	230
060	Final stock of non-performing loans and advances	460	598

EU CQ1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
31-12-2024		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 forbearance measures	
				Of which: defaulted	Of which: impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	140	206	206	206	-3	-25	283	148
020	- Central banks	-	-	-	-	-	-	-	-
030	- General governments	-	-	-	-	-	-	-	-
040	- Credit institutions	-	-	-	-	-	-	-	-
050	- Other financial corporations	-	10	10	10	-	-1	9	9
060	- Non-financial corporations	140	196	196	196	-3	-24	274	139
070	- Households	-	-	-	-	-	-	-	-
080	Debt Securities	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	
090	Loan commitments given	9	12	12	12	-	0	21	12
100	Total	149	218	218	218	-3	-25	304	160

	a	b	c	d	e	f	g	h	
31-12-2023	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 forbearance measures	
			Of which: defaulted	Of which: impaired					
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	
010	Loans and advances	169	93	93	93	-4	-31	159	47
020	- Central banks	-	-	-	-	-	-	-	-
030	- General governments	-	-	-	-	-	-	-	-
040	- Credit institutions	-	-	-	-	-	-	-	-
050	- Other financial corporations	-	9	9	9	-	-3	6	6
060	- Non-financial corporations	163	84	84	84	-4	-28	147	41

		a	b	c	d	e	f	g	h
070	- Households	6	-	-	-	-	-	6	-
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	19	10	10	10	-	-	8	8
100	Total	188	103	103	103	-4	-31	167	55

EU CQ3 – Credit quality of performing and non-performing exposures by past due days

	a	b	c	d	e	f	g	h	i	j	k	l
31-12-2024	Gross carrying amount / nominal amount											
	Performing exposures			Non-performing exposures								
				Unlikely to pay that are:								
		Not past due or past due ≤ 30 days	Past due > 30 ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 ≤ 180 days	Past due > 180 ≤ 1 year	Past due > 1 ≤ 2 years	Past due > 2 ≤ 5 years	Past due > 5 ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	6,627	6,627	-	-	-	-	-	-	-	-	-
010	Loans and advances	98,721	98,721	-	460	460	-	-	-	-	-	460
020	Central banks	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,044	32,044	-	-	-	-	-	-	-	-	-
040	Credit institutions	3,971	3,971	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,200	1,200	-	34	34	-	-	-	-	-	34
060	Non-financial corporations	61,177	61,177	-	424	424	-	-	-	-	-	424
070	of which SMEs	15,229	15,229	-	125	125	-	-	-	-	-	125
080	Households	329	329	-	2	2	-	-	-	-	-	2

		a	b	c	d	e	f	g	h	i	j	k	l
090	Debt Securities	20,972	20,972	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	11,775	11,775	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,056	3,056	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	4,467	4,467	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,674	1,674	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	9,037			21								21
160	Central banks	-			-								-
170	General governments	2,779			-								-
180	Credit institutions	-			-								-
190	Other financial corporations	624			-								-
200	Non-financial corporations	5,581			21								21
210	Households	53			-								-
220	Total	135,357	126,320	-	481	460	-	-	-	-	-	-	481

	a	b	c	d	e	f	g	h	i	j	k	l
31-12-2023	Gross carrying amount / nominal amount											
	Performing exposures			Non-performing exposures								
				Unlikely to pay that are:								
		Not past due or past due ≤ 30 days	Past due > 30 ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 ≤ 180 days	Past due > 180 ≤ 1 year	Past due > 1 ≤ 2 years	Past due > 2 ≤ 5 years	Past due > 5 ≤ 7 years	Past due > 7 years	Of which defaulted
	Cash balances at central banks and other demand deposits											
005		1,620	1,620	-	-	-	-	-	-	-	-	-
	Loans and advances											
010		95,635	95,635	-	598	598	-	-	-	-	-	598
020	Central banks	-	-	-	-	-	-	-	-	-	-	-
030	General governments	32,577	32,577	-	-	-	-	-	-	-	-	-
040	Credit institutions	4,868	4,868	-	-	-	-	-	-	-	-	-
050	Other financial corporations	1,441	1,441	-	37	37	-	-	-	-	-	37
060	Non-financial corporations	53,819	53,819	-	491	491	-	-	-	-	-	491
070	<i>of which SMEs</i>	13,793	13,793	-	133	133	-	-	-	-	-	133
080	Households	2,930	2,930	-	70	70	-	-	-	-	-	70
090	Debt Securities	19,667	19,667	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	10,511	10,511	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	3,314	3,314	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	4,682	4,682	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,160	1,160	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	10,465			92								92
160	Central banks	-			-								-
170	General governments	4,478			-								-
180	Credit institutions	6			-								-
190	Other financial corporations	720			7								7
200	Non-financial corporations	4,719			77								77
210	Households	542			8								8
220	Total	127,387	116,922	0	690	598	0	0	0	0	0	0	690

EU CQ4 – Quality of non-performing exposures by geography

	a	b	c	d	e	f	g
	31-12-2024	Gross carrying amount/nominal amount					
		Of which: non-performing			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	Of which subject to impairment			
1	On balance sheet exposures	116,984	460		-57		-
2	Netherlands	104,302	457		-56		-
3	France	1,779	-		-		-
4	United Kingdom	1,198	3		-1		-
5	Austria	1,186	-		-		-
6	Germany	1,294	-		-		-
8	Other countries ¹	7,225	-		-		-
9	Off balance sheet exposures	9,091	22			-1	-
10	Netherlands	8,597	21			-1	
11	United Kingdom	5	1			-	
12	United States	489	-			-	
13	Total	124,075	-		-57	-1	-

¹ Other countries: Belgium, Denmark, Spain, Finland, Ireland, Japan, Luxembourg, Portugal, United States and exposures to the European Commission and EFSF.

31-12-2023		Gross carrying amount/nominal amount		Of which subject to impairment	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: non-performing					
			Of which: defaulted				
	On balance sheet exposures	111,653	598		-100		-
1	Netherlands	100,006	594		-97		-
2	France	2,022	-		-		-
3	United Kingdom	1,452	4		-2		-
4	Austria	1,022	-		-		-
5	Germany	945	-		-		-
6	Belgium	560	-		-		-
7	Other countries ¹	5,646	-		-1		-
8	Off balance sheet exposures	10,556	92			-6	-
9	Netherlands	10,086	91			-6	-
10	United Kingdom	4	1			-	-
11	Germany	6	-			-	-
12	Other countries	460	-			-	-
13	Total	122,209	690		-100	-6	-
14							

¹ Other countries: Luxembourg, Spain, Japan, United States, Italy, Ireland, Denmark, Portugal and exposures to the European Commission and EFSF.

EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

	a	b	c	d	e	f
31-12-2024		Gross carrying amount/nominal amount				Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing		of which: loans and advances subject to impairment	Accumulated impairment	
		Of which: defaulted				
010	Agriculture, forestry and fishing	-	-		-	-
020	Mining and quarrying	-	-		-	-
030	Manufacturing	9	-		-	-
040	Electricity, gas, steam and air conditioning supply	665	5		-	-
050	Water supply	1,560	34		-2	-
060	Construction	826	62		-34	-
070	Wholesale and retail trade	65	-		-	-
080	Transport and storage	682	96		-	-
090	Accommodation and food service activities	-	-		-	-
100	Information and communication	91	27		-3	-
110	Financial and insurance activities	48	-		-	-
120	Real estate activities	51,997	136		-	-
130	Professional, scientific and technical activities	448	-		-2	-
140	Administrative and support service activities	67	3		-1	-
150	Public administration and defense, compulsory social security	-	-		-	-
160	Education	92	-		-	-
170	Human health services and social work activities	4,894	60		-11	-
180	Arts, entertainment and recreation	61	-		-	-

		a	b	c	d	e	f
190	Other services	96		1		-	-
200	Total	61,601		424		-53	-

		a	b	c	d	e	f
31-12-2023			Gross carrying amount/nominal amount				Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment	Accumulated impairment	
			Of which: defaulted				
010	Agriculture, forestry and fishing	-		-		-	-
020	Mining and quarrying	-		-		-	-
030	Manufacturing	9		-		-	-
040	Electricity, gas, steam and air conditioning supply	582		10		-5	-
050	Water supply	615		-		-	-
060	Construction	2,417		153		-32	-
070	Wholesale and retail trade	63		-		0	-
080	Transport and storage	653		99		-	-
090	Accommodation and food service activities	-		-		-	-
100	Information and communication	82		-		-1	-
110	Financial and insurance activities	83		3		0	-
120	Real estate activities	45,961		144		-4	-
130	Professional, scientific and technical activities	498		24		-27	-
140	Administrative and support service activities	439		4		-2	-
150	Public administration and defense, compulsory social security	-		-		-	-
160	Education	44		-		-	-
170	Human health services and social work activities	2,587		54		-12	-

		a	b	c	d	e	f
180	Arts, entertainment and recreation	64		-		0	-
190	Other services	214		-		0	-
200	Total	54,311		491		-83	-

EU CQ7 – Collateral obtained by taking possession and execution processes

		a		b		a		b	
		31-12-2024				31-12-2023			
		Collateral obtained by taking possession				Collateral obtained by taking possession			
		Value at initial recognition		Accumulated negative changes		Value at initial recognition		Accumulated negative changes	
010	Property, plant and equipment (PP&E)		-		-		-		-
020	Other than PP&E, of which:		-		-		-		-
030	- Residential immovable property		-		-		-		-
040	- Commercial immovable property		-		-		-		-
050	- Movable property (auto, shipping, etc.)		-		-		-		-
060	- Equity and debt instruments		-		-		-		-
070	- Other		-		-		-		-
080	Total		-		-		-		-

Use of credit risk mitigation techniques

EU CRC – Qualitative disclosure requirements related to CRM techniques

BNG is exposed to foreign country risk as a result of transactions with financial counterparties to hedge market risks arising from lending and funding activities, as a result of our liquidity portfolio and in the context of former lending and investments in the public sector abroad. Foreign lending is in most cases directly or indirectly guaranteed by the relevant governments.

Sector-specific policies and internal targets are used for lending. These sector targets relate to both maximum concentrations on the balance sheet and new transactions according to our annual plan. Active portfolio management is positioned within the CCO Lending and the CCO Relationship Banking departments. Both zero as non-zero-risk-weighted parties have internal limits on their exposures. The party's individual rating is a criterion for setting this limit. We monitor several aspects of client credit, including lending limits, internal ratings, maximum exposure based on unexpected loss, and overall maximum exposure per client, while ensuring compliance with the policy requirement for annual credit reviews.

In addition, the sizes of the watchlist, FR&R, and non-performing portfolios are monitored, along with forbearance exposures and lending arrears. These portfolios are tracked in accordance with their respective risk levels.

Credit risk monitoring for financial counterparties is conducted daily across multiple limits. This comprehensive process includes the oversight of derivatives limits, money market limits, securities transaction limits (with a focus on wrong-way risk), settlement limits, and clearing member limits. On a quarterly basis, Risk Management performs a thorough evaluation of risk targets. The results of this assessment are then reported to the relevant committees and the Executive Committee (ExCo). Additionally, the concentration risk per sector is an integral component of the Risk Management economic capital model, which is utilized to assess and determine appropriate capital adequacy allocation.


Exposures to financial counterparties have to adhere to the Large Exposure Regulation under the CRR.

We have implemented a conservative strategy to manage individual exposure sizes. We have established strict criteria for the minimum credit ratings required of our financial counterparties. These requirements are tailored to the specific type of business conducted with each party. The limited number of available counterparties results in a high concentration of transactions with approved parties. To mitigate the credit risk associated with derivatives, collateral is exchanged on a daily basis. This frequent collateral exchange helps to reduce the potential financial exposure between counterparties. This approach helps us mitigate risks associated with counterparty transactions while maintaining flexibility in our operations.

BNG utilizes five clearing members to centrally clear portions of our derivatives through EUREX and London Clearing House. This transition to central clearing has resulted in a shift of concentration risk from individual financial counterparties to clearing members and clearing houses. To mitigate this concentration risk, limits have been implemented on the maximum amount of initial margin that can be exchanged with clearing members.

BNG is exposed to settlement risk, primarily in transactions with financial counterparties. Settlement risk is the risk that a party fails to meet its obligations when settling a transaction. For us, this risk is potentially high for issuances in foreign currencies. The size of these issuances, which are based on a large benchmark, increases the potential loss if a counterparty defaults. This is particularly relevant for BNG due to their significant activities in international markets.

Netting and collateral agreements with counterparties are designed to mitigate settlement risks arising from mutual payment offsets. We enforce a settlement risk exposure limit and



strategically distributes transactions across temporal intervals to prevent concentrated risk accumulations. Multi-layered operational controls further reinforce risk reduction throughout the settlement lifecycle.

Within the EU framework, the Bank Recovery and Resolution Directive (BRRD) safeguards payment system stability during bank resolution procedures through mechanisms like bail-in tools and resolution financing arrangements. This regulatory framework systematically reduces systemic settlement risks by ensuring failing banks' critical functions continue without taxpayer-funded bailouts.

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

		a	b	c	d	e
31-12-2024		Unsecured carrying amount	Secured carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
1	Loans and advances	46,650	59,101	73	59,028	-
2	Debt Securities	18,075	2,897	-	2,897	-
3	Total	64,725	61,998	73	61,925	-
4	Of which non-performing exposures	73	343	-	343	-
EU-5	- of which defaulted	73	343			

		a	b	c	d	e
31-12-2023		Unsecured carrying amount	Secured carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
1	Loans and advances	42,255	55,500	73	55,427	-
2	Debt Securities	16,992	2,674	-	2,674	-
3	Total	59,247	58,174	73	58,101	-
4	Of which non-performing exposures	83	435	-	435	-
EU-5	- of which defaulted	83	435			

Standardised approach

EU CRD – Qualitative disclosure requirements related to standardised approach

BNG employs proprietary internal rating models, developed in-house, to evaluate the credit risk exposure of public sector entities that do not possess external credit ratings. This methodology ensures a systematic and risk-sensitive approach to assessing counterparty creditworthiness, consistent with our internal risk management framework.

The expert models employed by BNG are tailored to specific market segments and undergo regular validation processes in line with our internal model governance framework. While these models are integral to internal risk assessment and decision-making, they are not utilized for Pillar I regulatory capital calculations, which are exclusively based on the Standardised Approach as prescribed under Basel III requirements

Internal rating models are in use for the following market segments:

- Housing
- Healthcare
- Education
- NEMM (network, energie, milieu en mobiliteit)
- Projects

In addition to internal ratings, we utilize external ratings provided by credit rating agencies. As per EU Credit Rating Agency (CRA) regulations, We employ ratings from S&P, Moody's, Fitch, and DBRS, which are approved under the Eurosystem Credit Assessment Framework (ECAAF). These ratings are applied either to specific counterparties or individual securities. We are not authorized to use internal rating models for calculating minimum capital requirements. Therefore, we rely on external ratings, when available, to determine regulatory risk weights for Risk-Weighted Assets (RWA) calculations. This approach aligns with the standardized approach for credit risk assessment, where external credit ratings play a crucial role in determining appropriate risk weights for various exposure classes.

Furthermore, we have a scorecard model for local governments. Given the close relation to the Dutch government, we do not rate local governments, but only assesses their (relative)

creditworthiness on an individual basis. In cases where Probability of Default determination is needed, the rating of local governments is set equal to that of the Dutch government (ultimo 2024: AAA).

EU CR4 – Credit risk exposure and CRM effects

Guarantees provided by governments, WSW and WfZ are an important part in the determination of the credit risk profile of BNG. Below templates show the impact of all CRM techniques applied in accordance with Part Three, Title II, Chapter 4 of the CRR, including the financial collateral simple method and the financial collateral comprehensive method in the application of Articles 222 and 223 of the same regulation on capital requirements’ calculations using the standardised approach. In addition, the RWA density provides a synthetic metric on the riskiness of each portfolio.

The increase in total exposure is primarily driven by the rise in Central Governments and Corporates.

		a	b	c	d	e	f
31-12-2024		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance	Off-balance	On-balance	Off-balance	RWA	RWA density
1	Central governments or central banks	10,971	15	66,194	1,374	–	0%
2	Regional governments or local authorities	31,018	2,396	33,658	482	22	0%
3	Public sector entities	3,113	350	3,642	85	346	9%
4	Multilateral Development Banks	200	–	200	–	–	0%
5	International Organisations	4,999	–	4,999	–	–	0%
6	Institutions	838	–	64	–	13	20%
7	Corporates	65,002	6,157	7,626	332	6,427	81%
8	Retail	–	–	–	–	–	0%
9	Secured by mortgages on immovable property	–	–	–	–	–	0%
10	Exposures in default	416	20	104	–	142	137%
11	Exposures associated with particularly high risk	–	–	–	–	–	0%
12	Covered bonds	2,820	–	2,820	–	282	10%
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	0%
14	Collective investments undertakings (CIU)	–	–	–	–	–	0%
15	Equity	16	–	16	–	16	100%
16	Other items	121	–	121	–	121	100%
17	Total	119,514	8,938	119,444	2,273	7,369	6%

		a	b	c	d	e	f
	31-12-2023	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance	Off-balance	On-balance	Off-balance	RWA	RWA density
1	Central governments or central banks	5,474	15	56,912	1,570	–	0%
2	Regional governments or local authorities	30,479	2,974	33,400	1,081	23	0%
3	Public sector entities	4,377	1,486	4,501	185	598	13%
4	Multilateral Development Banks	200	–	200	–	–	0%
5	International Organisations	4,113	–	4,113	–	–	0%
6	Institutions	1,091	6	135	–	27	20%
7	Corporates	59,269	5,852	6,065	180	5,324	85%
8	Retail	–	–	–	–	–	0%
9	Secured by mortgages on immovable property	–	–	–	–	–	0%
10	Exposures in default	519	86	123	3	158	125%
11	Exposures associated with particularly high risk	–	–	–	–	–	0%
12	Covered bonds	2,646	–	2,646	–	265	10%
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	0%
14	Collective investments undertakings (CIU)	–	–	–	–	–	0%
15	Equity	24	–	24	–	24	100%
16	Other items	104	–	104	–	104	100%
17	Total	108,296	10,419	108,223	3,019	6,523	6%

EU CR5 – Standardised approach

Template EU CR5 presents the breakdown of exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the standardised approach). The risk weights in template EU CR5 encompass all those assigned to each credit quality step in Articles 113 to 134 in Part Three, Title II, Chapter 2 of the CRR.

The increase in total exposure is primarily driven by the rise in Central Governments.

31-12-2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Risk Weight:		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which: unrated
1	Central governments or central banks	67,568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,568	58,803
2	Regional government or local authorities	34,032	-	-	-	108	-	-	-	-	-	-	-	-	-	-	34,140	33,497
3	Public sector entities	1,999	-	-	-	1,728	-	-	-	-	-	-	-	-	-	-	3,727	1,716
4	Multilateral development banks	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-
5	International organisations	4,999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,999	-
6	Institutions	-	-	-	-	64	-	-	-	-	-	-	-	-	-	-	64	244
7	Corporates	-	-	-	-	1,015	-	1,436	-	-	5,506	-	-	-	-	-	7,957	5,976
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31-12-2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
10	Exposures in default	-	-	-	-	-	-	-	-	-	29	75	-	-	-	-	104	104
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	2,820	-	-	-	-	-	-	-	-	-	-	-	2,820	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	16	-	-	-	-	-	16	16
16	Other items	-	-	-	-	-	-	-	-	-	121	-	-	-	-	-	121	-
17	Total credit risk exposure	108,798	-	-	2,820	2,915	-	1,436	-	-	5,672	75	-	-	-	-	121,716	100,356

31-12-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Risk weight:		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	Of which: unrated
1	Central governments or central banks	58,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,485	51,558
2	Regional government or local authorities	34,365	-	-	-	115	-	-	-	-	-	-	-	-	-	-	34,480	34,232
3	Public sector entities	1,697	-	-	-	2,989	-	-	-	-	-	-	-	-	-	-	4,686	2,524

31-12-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
4	Multilateral development banks	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-
5	International organisations	4,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,113	-
6	Institutions	-	-	-	-	135	-	-	-	-	-	-	-	-	-	-	135	29
7	Corporates	-	-	-	-	675	-	759	-	-	4,810	-	-	-	-	-	6,244	4,621
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	60	65	-	-	-	-	125	125
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	2,646	-	-	-	-	-	-	-	-	-	-	-	2,646	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	24	-	-	-	-	-	24	24
16	Other items	-	-	-	-	-	-	-	-	-	104	-	-	-	-	-	104	2
17	Total credit risk exposure	98,860	-	-	2,646	3,914	-	759	-	-	4,998	65	-	-	-	-	111,242	93,115

Counterparty credit risk

EU CCRA – Qualitative disclosure requirements related to counterparty credit risk (CCR)

Counterparty credit risk is the risk of losses to earnings and capital arising from a party failing to make payments that result from a financial transaction, at the moment those payments are due. 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. This section provides different perspectives on this counterparty credit risk as it pertains to BNG.

EU CCR1 – Analysis of CCR exposure by approach

Despite a total notional amount of EUR 297 billion at year-end 2024 (2023: EUR 275 billion), the counterparty credit risk of derivative transactions remains relatively limited. With the exception of currency derivatives, these contractual principal amounts merely serve as accounting quantities and do not reflect the size of cash flows or the risk associated with the derivatives. The credit equivalent of the derivatives portfolio serves as a more accurate indicator in this regard. The credit risk is expressed in terms of credit equivalents, in accordance with Central Bank guidelines. The credit equivalent consists of the market value plus an add-on for future credit risk. Contracts with a positive value – where contractual default by the counterparty would cause BNG to miss out on revenue – are relevant in this regard. We determine this value using the Standardised Approach to Counterparty Credit Risk (SA-CCR). The current replacement cost is calculated by including collateral received or posted. In addition, the principal amounts are multiplied by percentages based on the specific product and its maturity period in order to determine the Potential future credit risk exposure (PFE). The sum of these two values (credit equivalent) multiplied by the alpha of 1.4 indicates the net exposure to credit risk.

		a	b	c	d	e	f	g	h
31-12-2024					Alpha used for computing regulatory exposure value				
		Replacement cost (RC)	Potential future credit exposure (PFE)	EEPE		Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	390	884		1.4	1,611	1,611	1,611	681
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					6,860	42	42	13
5	VaR for SFTs					-	-	-	-
6	Total					8,471	1,653	1,653	694

		a	b	c	d	e	f	g	h
31-12-2023					Alpha used for computing regulatory exposure value				
		Replacement cost (RC)	Potential future credit exposure (PFE)	EEPE		Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		-	-	-	-	-
1	SA-CCR (for derivatives)	461	774		1.4	1,517	1,517	1,517	665
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-

		a	b	c	d	e	f	g	h
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					5,218	304	304	61
5	VaR for SFTs					-	-	-	-
6	Total					6,735	1,821	1,821	726

EU CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b			a	b
	31-12-2024	Exposure value	RWEA		31-12-2023	Exposure value	RWEA
1	Total transactions subject to the Advanced method	n/a	n/a	1	Total transactions subject to the Advanced method	n/a	n/a
2	(i) VaR component (including the 3× multiplier)		n/a	2	(i) VaR component (including the 3× multiplier)		n/a
3	(ii) stressed VaR component (including the 3× multiplier)		n/a	3	(ii) stressed VaR component (including the 3× multiplier)		n/a
4	Transactions subject to the Standardised method	1,133	683	4	Transactions subject to the Standardised method	1,052	740
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	n/a	n/a	EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	n/a	n/a
5	Total transactions subject to own funds requirements for CVA risk	1,133	683	5	Total transactions subject to own funds requirements for CVA risk	1,052	740

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

		a	b	c	d	e	f	g	h	i	j	k	l
31-12-2024		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	167	-	-	-	-	-	-	-	-	-	-	167
3	Public sector entities	-	-	-	-	1	-	-	-	-	-	-	1
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	217	-	-	660	373	-	-	-	-	-	1,250
7	Corporates	-	455	-	-	20	122	-	-	310	-	-	907
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	167	672	-	-	681	495	-	-	310	-	-	2,325

		a	b	c	d	e	f	g	h	i	j	k	l
31-12-2023		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	145	-	-	-	-	-	-	-	-	-	-	145
3	Public sector entities	-	-	-	-	1	-	-	-	-	-	-	1
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	257	-	-	990	156	-	-	-	-	-	1,403
7	Corporates	-	644	-	-	-	159	-	-	370	-	-	1,173
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
	Institutions and corporates with a short-term												
9	credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	145	901	-	-	991	315	-	-	370	-	-	2,722

EU CCR5 – Composition of collateral for CCR exposures

		a	b	c	d	e	f	g	h
31-12-2024		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	
Collateral type		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	1,510	-	3,470	-	23	-	75
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	24	-	1,230	-	-	-	37	3,798
5	Government agency debt	2	-	630	-	-	-	-	231
6	Corporate bonds	5	-	2,244	-	-	1,086	-	208
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	32	-	-	3,470	-	404
9	Total	31	1,510	4,136	3,470	-	4,579	37	4,716

		a	b	c	d	e	f	g	h
31-12-2023		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	
Collateral type		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	568	-	4,685	-	88	-	66
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	20	-
4	Other sovereign debt	4	-	1,066	-	-	-	17	2,426
5	Government agency debt	-	-	332	-	-	-	-	135
6	Corporate bonds	-	-	1,380	-	-	1,100	-	818
7	Equity securities	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h
8	Other collateral	-	-	30	-	-	2,765	-	345
9	Total	4	568	2,808	4,685	-	3,953	37	3,790

At year-end 2024, the collateral posted for derivative transactions amounted to EUR 4.1 billion (2023: EUR 5.3 billion). The strength of BNG’s liquidity position is sufficient to meet, and to absorb fluctuations in collateral obligations.

EU CCR8 – Exposures to CCPs

		a	b
	31-12-2024	Exposure value	RWEA
1	Exposures to QCCPs (total)		13
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	672	13
3	(i) OTC derivatives	672	13
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

		a	b
	31-12-2023	Exposure value	RWEA
1	Exposures to QCCPs (total)	901	18
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	901	18
3	(i) OTC derivatives	898	18
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	3	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Securitisation



EU SECA – Qualitative disclosure requirements related to securitisation exposures

The following sections include qualitative and quantitative disclosures on securitized exposure as well as on securitization positions held by BNG. We are primarily engaged in securitization transactions as an investor, and to a lesser extent, as Issuer Account Bank and as Cash Advance Facility Provider. We do not act as an originator or sponsor of securitizations. These investments in securitizations are part of the banking book and we do not invest in synthetic securitizations or re-securitizations. Through our role in the securitization process, we are exposed to credit risk and liquidity risk. The Cash Advance Facilities may only be drawn on under strict conditions (e.g. in the event of technical payment problems), and in that case our claim will have preference over all other claims.

BNG applies the Securitizations External Rating Based Approach (SEC-ERBA) in calculating risk-weighted exposure values of securitizations in relation to credit risk. Most of the securitization positions have a 10% weighting. In 2024 no securitizations have a 1250% weighting because of the rating. If these items occur we take advantage of the option to offset these items against the CET1 capital. At year-end 2024 the balance sheet value amounted to EUR 3.9 billion (2023: EUR 4.6 billion) in securitization positions. The off-balance sheet securitization commitments at year-end 2024 amounted to EUR 0.1 billion (2023: EUR 0.1 billion) and concerned Cash Advance Facilities. We consider the credit risk of these facilities to be non-material.

All securitizations in our portfolio have at least one external rating from S&P, Moody's, Fitch or DBRS. The individual credit risk of these products are monitored by the Credit Committee Treasury. The portfolio analysis and monitoring of interest rate risks are done by the Asset & Liability Committee (ALCO). All securitizations are subjected to an impairment test twice a year. As investments are limited to the most senior tranches the credit risk for BNG is considered limited, as these (senior) tranches would be impacted last if credit issues were to arise with underlying assets.

EU SEC1 – Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
31-12-2024		Institution acts as originator						Institution acts as sponsor				Institution acts as investor				
		Traditional			Synthetic	Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total		
		STS	of which SRT	non-STS			of which SRT	of which SRT			STS	non-STS			STS	non-STS
1	Total exposures	-		-		-		-	-	-	-	-	3,470	444	-	3,914
2	Retail (total)	-		-		-		-	-	-	-	-	3,470	444	-	3,914
3	- residential mortgage	-		-		-		-	-	-	-	-	3,470	432	-	3,902
4	- credit card	-		-		-		-	-	-	-	-	-	-	-	-
5	- other retail exposures	-		-		-		-	-	-	-	-	-	-	-	-
6	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-		-		-		-	-	-	-	-	-	12	-	12
8	- loans to corporates	-		-		-		-	-	-	-	-	-	-	-	-
9	- commercial mortgage	-		-		-		-	-	-	-	-	-	-	-	-
10	- lease and receivables	-		-		-		-	-	-	-	-	-	12	-	12
11	- other wholesale	-		-		-		-	-	-	-	-	-	-	-	-
12	- re-securitisation	-		-		-		-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
31-12-2023	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic	Sub- total	Traditional		Synthetic	Sub- total	Traditional		Synthetic	Sub- total	
	STS			non-STS			of which SRT	STS			non-STS	STS			non-STS
		of which SRT	of which SRT												
1	Total exposures	-		-			-	-	-	-	-	3,943	641	-	4,584
2	Retail (total)	-		-			-	-	-	-	-	3,943	625	-	4,568
3	- residential mortgage	-		-			-	-	-	-	-	3,943	625	-	4,568
4	- credit card	-		-			-	-	-	-	-	-	-	-	-
5	- other retail exposures	-		-			-	-	-	-	-	-	-	-	-
6	- re-securitisation	-		-			-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-		-			-	-	-	-	-	-	16	-	16
8	- loans to corporates	-		-			-	-	-	-	-	-	-	-	-
9	- commercial mortgage	-		-			-	-	-	-	-	-	-	-	-
10	- lease and receivables	-		-			-	-	-	-	-	-	16	-	16
11	- other wholesale	-		-			-	-	-	-	-	-	-	-	-
12	- re-securitisation	-		-			-	-	-	-	-	-	-	-	-

EU SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
31-12-2024	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1	Total exposures	3,670	233	11	-	-	3,914				493				38		
2	Traditional securitisation	3,670	233	11	-	-	3,914				493				38		
3	Securitisation	3,670	233	11	-	-	3,914				493				38		
4	Retail underlying	3,658	233	11	-		3,902				491				38		
5	Of which STS	3,470	-	-	-		3,470				347				27		
6	Wholesale	12	-	-	-		12				2				-		
7	Of which STS	-	-	-	-		-				-				-		
8	Re-securitisation																
9	Synthetic securitisation																
10	Securitisation																
11	Retail underlying																
12	Wholesale																
13	Re-securitisation																

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
31-12-2023	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			RWEA (by regulatory approach)					Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
1 Total exposures	4,090	355	133	6	-	-	4,584	-	-	-	591	-	-	-	46	-	-
2 Traditional securitisation	4,090	355	133	6	-	-	4,584	-	-	-	591	-	-	-	46	-	-
3 Securitisation	4,090	355	133	6	-	-	4,584	-	-	-	591	-	-	-	46	-	-
4 Retail underlying	4,074	355	133	6		-	4,568	-	-	-	589	-	-	-	46	-	-
5 Of which STS	3,943	-	-	-		-	3,943	-	-	-	394	-	-	-	31	-	-
6 Wholesale	16	-	-	-		-	16	-	-	-	2	-	-	-	-	-	-
7 Of which STS	-		-	-		-	-	-	-	-	-	-	-	-	-	-	-
8 Re-securitisation																	
9 Synthetic securitisation																	
10 Securitisation																	
11 Retail underlying																	
12 Wholesale																	
13 Re-securitisation																	

Market risk



EU MRA – Qualitative disclosure requirements related to market risk

The Treasury department is the ‘first line of responsibility’ and is responsible for day-to-day market risk management, primarily for managing market risks resulting from commercial activities.

Financial Risk Management is the ‘second line of responsibility’ and is tasked to monitor the market risk independently. It performs daily reviews to ensure the risk positions are within the limits cascaded from the Risk Appetite and set by the ExCo and SB. Measurements in scope are related to IRRBB, CSRBB and other market risks. Financial Risk Management independently prepares monthly reports for the ALCO and Treasury, challenges the first line and provides risks analysis and advice, both proactively and upon request. Moreover, the department also periodically updates the assumptions used, maintains the set of policies, frameworks, tooling, procedures and reporting, and incorporates new regulations in their revision. By participating in the product approval process, it also plays an important role in identifying and assessing (new) market risks caused by new or changed activities.

The ALCO discusses limit adjustments and decides on market risk policies and is responsible for decision taking within the boundaries set in the policy. The ALCO consists of the CFO (Chair), the CRO, the CCO, the head of Treasury, the head of Treasury & Portfolio Management, the head of Financial Risk Management and the head of Financial Risk Management ALM. Depending on the agenda, the ALCO is supplemented with other participants.

The risk measures are monitored and reported on a daily basis to the ALCO members as well as the Treasury department, except for the Earnings at Risk measure that is calculated on a monthly basis.

The daily measures are summarized in a monthly dashboard, which is discussed in the regular ALCO meetings. In addition, these measures and limit monitoring are summarized in the quarterly integrated risk report, which is presented to and discussed in the ExCo, the Risk Committee of the SB and the SB itself.

Interest rate risk

BNG's most significant interest rate risk is the ‘outright risk’ to the interest rate swap curve, which is determined excluding the impact of spreads. This means that changes in spreads such as credit spreads, CVA/DVA and cross-currency basis spreads do not influence the interest rate risk position and hedging. There is no material presence of early redemption options in our regular loan portfolio. Likewise, there is no direct exposure to mortgages, and we do not attract savings from private individuals. Consequently, client behaviour is not modelled in our interest rate risk models as the loan book is almost entirely held to maturity.

BNG applies stress testing, in which the impact of the interest rate position is assessed based on multiple types of interest rate shocks (parallel and non-parallel) and from various perspectives (i.e. economic value, Earnings at Risk, basis risk and the normative capital perspective).

BNG has risk measures and limits in place for several areas within market risk:

- The Treasury department has a mandate to hold an unhedged interest rate risk position within pre-defined limits. Economic value limits for the Treasury book are set for the interest rate stress testing outcomes. Stress testing is calculated for several internal parallel and non-parallel interest rate shocks, and is compared on a daily basis to the capital allocated for interest rate risk. In addition, early warning levels are set for the internal Earnings at Risk scenarios such that a balance is sought between the economic value and the earnings perspective.
- BNG also makes sure that the outlier criteria for NII and EVE are not exceeded. The outlier criteria are prescribed by regulations, where the maximum relationship between market risk and equity is expressed. An outlier criterion is a sensitivity analysis in which the interest rate risk is measured under externally prescribed shocks, among which the instantaneous plus or minus 200 basis points parallel scenario.
- In case of cross-currency swaps, the cross-currency basis spread risk is monitored on a daily basis. This risk is not limited, since the contracts are deemed to be held until maturity. Although, in case of fluctuations, regulatory capital may be affected

- through “cost of hedging”. However, the effect is not expected to materialize on a going concern basis.
- Economic capital is allocated for interest rate risk, spread risk and, basis risk. The monitoring is conducted periodically (monthly/quarterly).

All these interest rate risk measures complement each other, and they ensure the manageability of risks.

The table below outlines the EaR as per end of 2024 in a scenario with an instantaneous parallel shock of plus 162 basis points for the 1-year. For comparative reasons, the EaR of 2023 is shown in the below table. Usually, the most negative or least positive impact can be seen in the scenario with an instantaneous parallel shock of minus 146 basis points. The main reason for this switch is the lower balance sheet total at the end of the year in combination with Euribor fixations in the banking book.

Earnings at risk	2024	2023
(in millions of euros)		
Horizon		
1 year	-53	-45
2 years	-	-

Foreign exchange risk

We obtain a large portion of our funding in foreign currencies and is therefore exposed to foreign exchange fluctuations. However, according to BNG's policy, foreign exchange risks are hedged in terms of notional amounts. Incidentally, foreign exchange positions may occur in certain cases where it is not cost-efficient to hedge the risk. The foreign exchange risk of these minor positions is monitored on a daily basis and subject to limits.

Volatility risk

In order to be able to manage our interest rate risk exposure in a flexible and cost efficient way, we allow ourself a limited range for assuming volatility risk to support the interest rate position in the Treasury book. This range is limited and is monitored by the Financial Risk Management department. During 2024, no additional volatility risk was assumed to support the active interest rate position. With regard to our other activities, our policy specifies that the volatility risks for new financial instruments should be hedged one-to-one. The resulting volatility risk is relatively small and is subject to monitoring by Financial Risk Management.

Spread risk

The economic value of BNG’s equity is determined over our total portfolio of assets and liabilities. Both assets and liabilities are valued on the basis of an interest rate curve made up of market-based swap rates plus credit risk spreads. In case of interest rate swaps, the CVA risk (counterparty risk) and DVA risk (BNG's own default risk) are included. Spread risk is not hedged by BNG. The impact of changes in these spreads is measured and monitored on a daily basis. For the fair value instruments affecting profit and loss or regulatory capital, a warning level on the credit spread stress testing outcomes has been set.

We hav inflation-linked instruments in our portfolio. BNG's policy specifies that exposure to fluctuations in inflation risk should be hedged in full and it executes this policy. The inflation delta is monitored on a daily basis.

EU MRI – Market risk under the standardised approach

For the disclosure of market risk pursuant with policies and strategies, more information can be found in the 2024 Annual Report in the chapter Risk Management, specifically the section relating to Market risk. BNG does not have own funds requirements under the standardised approach. Only temporary small foreign exchange positions for which it is not efficient to hedge the risks may result in a limited capital charge. At 31 December 2024 and 2023 this position resulted in no capital requirement because our exposure on foreign exchange risk is below the threshold of 2% of eligible capital.

	31-12-2024	31-12-2023
	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	-	-

EU IRRBBA – Qualitative information on interest rate risk of non-trading book activities

The (modelled) investment of own equity is equal to the required shareholders' return of the Dutch State 10 years moving average aligned with the calculation for the targeted shareholder return using the 10 year moving average of the 10 year Dutch State bond yield. For the remainder, all interest rate (IRR) positions of BNG in the banking book with a maturity of one year and longer are either directly hedged externally (micro hedging) or managed by the Treasury department and hedged within limits using macro hedging. Both micro and macro hedging is conducted on accrual basis. All non-EUR cash flows are cash flow hedged.

Treasury is authorized to operate within a limited bandwidth, which allows among others efficient hedging and flexibility for clients. BNG monitors the interest rate risk on a daily basis. It includes the Economic Value of Equity (EVE) and the Net Interest Income (NII) impact of the Supervisory Outlier Test ('SOT'), internal shocks and corresponding limits. In addition, the actual positions and sensitivities are measured against limits, targets and early warnings.

Regarding EVE shocks, BNG 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.

BNG uses OIS discounting for calculating the present values as well as for the full revaluation of the products under the given shocks.

It should be noted that embedded options are hedged directly in line with BNG's policy. Non maturity deposits (NMDs), which include current accounts, collateral deposits and ECB accounts have short-term repricing dates. Short-term is usually interpreted as shorter than one year. For the aforementioned products however, repricing dates are in practice usually shorter than one month. Therefore these accounts have a low EVE sensitivity. There is no spread component present since repricing is linked to 1-month EURIBOR or €STR. 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). Where applicable, implied zero percent floors are also taken into account. This is often the case for RMBS and DBFMO exposures.

From NII perspective, the methodology involves calculations based on the total banking book, assuming a static balance sheet. The NII impact of the supervisory standard and internal shocks is calculated and reported on a monthly basis. Parallel interest-rate shifts are applied in accordance with regulatory requirements and include an instantaneous shift (-/+ 200 bps). Furthermore, BNG also uses several (internal) shocks, both gradual and instantaneous, to estimate the NII.

The outcome of Earnings at risk is well within our risk appetite per end of 2024. This also holds for EVE and moreover the outlier criterion calculation for EVE and NII are respected.

As a consequence of the decreased interest rates during 2024, the total interest rate sensitivity in the banking book increased compared to end of 2023. In general this leads to higher "Changes of the economic value of equity". Furthermore, the calculation of "Changes of the net interest income" were improved with regards to €STR hedging.

EU IRRBB1 – Interest rate risks of non-trading book activities

The below template shows the changes in the economic value of equity (EVE) resulting from various yield curve shocks, as calculated under the six supervisory shock scenarios. Also shown are the changes in net interest income (NII), i.e. the difference in NII between a base scenario and an alternative scenario, as calculated under the two supervisory shock scenarios. The scenarios are as described in the EBA guidelines.

		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		31-12-2024	31-12-2023	31-12-2024	31-12-2023
1	Parallel up	-374	-328	-96	-76
2	Parallel down	463	406	96	77
3	Steepener	-95	-82		
4	Flattener	36	31		
5	Short rates up	-84	-75		
6	Short rates down	88	78		

Operational risk



EU ORA – Qualitative information on operational risk

The first line is primarily responsible for the management of operational risks in their products, processes, people and systems. This responsibility is embedded in our policies, guidelines and internal process design. As part of this responsibility, the first line needs to implement a risk management system to (1) identify risks, (2) determine and implement the risk response to mitigate these risks, (3) monitor the risks and (4) report upon the operational risk profile. The first line includes all process owners, the most important of which are the following departments:

- Lending and Relationship Banking;
- Client Services and Payments;
- Treasury and Capital Markets;
- Back Office;
- Information Technology (consists of departments Cloud & Infrastructure, IT Delivery, IT Control & Support en IT Security);
- Finance & Control; and
- Human Resources.

All recurring processes are documented in process flows with triggers, actors, activities, systems used, documents and results. Although operational risks cannot (and do not have to) be fully mitigated, they must obviously be made transparent and manageable.

The second line Non-Financial Risk Management (NFRM) department monitors all operational risks and supports and challenges the first line in the management of their operational risks. The second line is also involved in material projects, process changes and documentation, as well as in product assessment and approval processes. It reports on a quarterly basis on the operational risk profile of BNG, and determines whether we are operating within the defined risk appetite. The reports are discussed in the Non-Financial Risk Committee (NFRC). The NFRC also approves non-financial risk management related policies and discusses the overall operating effectiveness of the system of internal control and management of non-financial risks, from the perspective of both the first and second lines of responsibility. This includes the outcomes of risk & control self-assessments, results of key control testing and monitoring and incident management. The overall conclusions

and risk ratings are also added to the quarterly integrated risk report that is discussed with the ExCo and SB.

Information relating to disclosures of operational risk management objectives and policies should be read in conjunction with the 'Internal business operations' section, specifically the risk management paragraph, of the Annual report.

Assessment of minimum own funds requirements

BNG applies The Standardised Approach (TSA) to calculate minimum capital requirements for operational risk.

EU ORI – Operational risk own funds requirements and risk-weighted exposure amounts

		a	b	c	d	e
31-12-2024		Relevant indicator			Own funds requirements	Risk exposure amount
Banking activities		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	579	541	564	84	1,054
3	- Subject to TSA	579	541	564		
4	- Subject to ASA	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

		a	b	c	d	e
31-12-2023		Relevant indicator			Own funds requirements	Risk exposure amount
Banking activities		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	446	579	541	78	981
3	- Subject to TSA	446	579	541		
4	- Subject to ASA	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Remuneration



EU REMA – Remuneration policy

In 2024, the remuneration policy is compliant with the legal requirements and policy frameworks for institutions in the Netherlands, including:

- the Dutch Corporate Governance Code;
- European and national financial rules and regulations,, including the Capital Requirements Regulation, the Financial Supervision Act, the Regulation on Sound Remuneration Policies, the Remuneration Policy (Financial Enterprises) Act, and the Work and Security Act;
- the Dutch Banking Code of the Nederlandse Vereniging van Banken (NVB).

In addition to satisfying legal and regulatory requirements, the remuneration policy also complies with the Dutch central government’s guidelines for state-owned enterprises. Disclosure on the remuneration policies, the responsible committees, the governance processes, the applied criteria and the amounts involved, is provided in the annual report for 2024 and in the remuneration policy and the Annual Remuneration Report have both have been published on the website.

EU REM1 – Remuneration awarded for the financial year

		a	b	c	d	a	b	c	d
		2024				2023			
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration									
1	Number of identified staff	7	5	26	12	7	5	27	12
2	Total fixed remuneration	306	1,422	3,858	912	290	1,451	3,817	1,614
3	- Of which: cash-based	306	1,422	3,858	912	290	1,451	3,817	1,614
EU-4a	- Of which: shares or equivalent ownership interests	-	-	-	-	-	-	-	-
5	- Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
EU-5x	- Of which: other instruments	-	-	-	-	-	-	-	-
7	- Of which: other forms	-	-	-	-	-	-	-	-
Variable remuneration		-	-	-	-	-	-	-	-
9	Number of identified staff	-	-	-	-	-	-	-	-
10	Total variable remuneration	-	-	-	-	-	68	-	-
11	- Of which: cash-based	-	-	-	-	-	68	-	-
12	- Of which: deferred	-	-	-	-	-	-	-	-
EU-13a	- Of which: shares or equivalent ownership interests	-	-	-	-	-	-	-	-
EU-14a	- Of which: deferred	-	-	-	-	-	-	-	-
EU-13b	- Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
EU-14b	- Of which: deferred	-	-	-	-	-	-	-	-
EU-14x	- Of which: other instruments	-	-	-	-	-	-	-	-
EU-14y	- Of which: deferred	-	-	-	-	-	-	-	-
15	- Of which: other forms	-	-	-	-	-	-	-	-

		a	b	c	d	a	b	c	d
16	- Of which: deferred	-	-	-	-	-	-	-	-
17	Total remuneration (2 + 10)	306	1,422	3,858	912	290	1,519	3,817	1,614

EU REM2 – Special payments to staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

	a	b	c	d	a	b	c	d
	2024				2023			
	MB Supervisory function	MB Management function	Other senior management	Other identified staff	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards								
1	Guaranteed variable remuneration awards – Number of identified staff	-	-	-	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-	-	-	-
3	- Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year								
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	-	-	-	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	-	-	-	-	-	-	-
Severance payments awarded during the financial year								
6	Severance payments awarded during the financial year – Number of identified staff	-	-	-	-	-	1	-
7	Severance payments awarded during the financial year – Total amount	-	-	-	-	-	68	-
8	- Of which paid during the financial year	-	-	-	-	-	68	-
9	- Of which deferred	-	-	-	-	-	-	-
10	- Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-	-	-	-
11	- Of which highest payment that has been awarded to a single person	-	-	-	-	-	68	-

EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

	a	b	c	d	e	f	g	h	i	j
2024	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
(in thousands)										
1	Total number of identified staff									50
2	Of which: members of the MB									
3	Of which: other senior management									
4	Of which: other identified staff									
5	Total remuneration of identified staff									
6	Of which: variable remuneration									
7	Of which: fixed remuneration									
	a	b	c	d	e	f	g	h	i	j
2023	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
(in thousands)										
1	Total number of identified staff									51
2	Of which: members of the MB									
3	Of which: other senior management									

	a	b	c	d	e	f	g	h	i	j	
4	Of which: other identified staff			2	5			6			
5	Total remuneration of identified staff			290	1,519	1,809	704	1,102	1,501	1,472	652
6	Of which: variable remuneration			-	68	68	-	-	-	-	-
7	Of which: fixed remuneration			290	1,451	1,741	704	1,102	1,501	1,472	652

The number of identified staff under "Business areas" is presented in number of FTE.

Encumbered and unencumbered assets



EU AEI – Encumbered and unencumbered assets

The value of the encumbered and unencumbered assets is related to the median value of the reporting year by broad categories of asset type.

		010	030	040	050	060	080	090	100
31-12-2024		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which: notionally eligible EHQLA and HQLA		of which: notionally eligible EHQLA and HQLA		of which: EHQLA and HQLA		of which: EHQLA and HQLA	
010	Assets of the disclosing institution	15,785	8,213			112,156	10,928		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	8,436	8,213	8,282	8,043	12,536	10,928	12,457	10,859
050	- of which: covered bonds	2,413	2,413	2,413	2,413	407	407	407	407
060	- of which: securities	437	436	437	436	3,444	3,034	3,441	3,030
070	- of which: issued by general governments	5,255	5,255	5,084	5,083	6,521	6,522	6,451	6,451
080	- of which: issued by financial corporations	2,901	2,901	2,901	2,901	4,621	4,005	4,593	4,002
090	- of which: issued by non-financial corporations	280	57	297	59	1,394	401	1,413	406
120	Other assets	7,349	-			99,620	-		

		010	030	040	050	060	080	090	100
		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which: notionally eligible EHQLA and HQLA		of which: notionally eligible EHQLA and HQLA		of which: EHQLA and HQLA		of which: EHQLA and HQLA
31-12-2023									
010	Assets of the disclosing institution	14,754	5,983			100,787	11,689		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	6,277	5,983	6,277	5,975	13,389	11,689	13,270	11,596
050	- of which: covered bonds	1,649	1,649	1,649	1,649	997	997	997	997
060	- of which: securities	376	354	376	354	4,176	3,589	4,158	3,581
070	- of which: issued by general governments	3,980	3,980	3,972	3,972	6,529	6,399	6,450	6,313
080	- of which: issued by financial corporations	2,025	2,003	2,025	2,003	5,971	5,187	5,925	5,179
090	- of which: issued by non- financial corporations	272	-	280	-	889	103	895	104
120	Other assets	8,477	-			87,398	-		

EU AE2 – Collateral received and own debt securities issued

The value of the collateral received is related to the median value of the reporting year by broad categories of asset type.

		010	030	040	060
31-12-2024		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
		of which: notionally eligible EHQLA and HQLA		Fair value of collateral received or own debt securities issued available for encumbrance	
				of which: EHQLA and HQLA	
130	Collateral received by the reporting institution	0	0	6,508	1,330
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	4,975	1,330
170	- of which: covered bonds	-	-	1,505	1,235
180	- of which: securitisations	-	-	3,470	95
190	- of which: issued by general governments	-	-	-	-
200	- of which: issued by financial corporations	-	-	4,975	1,330
210	- of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	1,533	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged	-	-	-	-
250	Total assets, collateral received and own debt securities issued	15,785	8,213		

		010	030	040	060
31-12-2023		Fair value of encumbered collateral received or own debt securities issued	Unencumbered		
			Fair value of collateral received or own debt securities issued available for encumbrance		
					of which: EHQLA and HQLA
130	Collateral received by the reporting institution	–	–	4,525	1,104
140	Loans on demand	–	–	–	–
150	Equity instruments	–	–	–	–
160	Debt securities	–	–	3,869	1,104
170	– of which: covered bonds	–	–	1,100	1,100
180	– of which: securitisations	–	–	2,765	–
190	– of which: issued by general governments	–	–	–	–
200	– of which: issued by financial corporations	–	–	3,869	1,104
210	– of which: issued by non-financial corporations	–	–	–	–
220	Loans and advances other than loans on demand	–	–	656	–
230	Other collateral received	–	–	–	–
240	Own debt securities issued other than own covered bonds or asset-backed securities	–	–	–	–
241	Own covered bonds and asset-backed securities issued and not yet pledged			–	–
250	Total assets, collateral received and own debt securities issued	14,754	5,983		

EU AE3 – Sources of encumbrance

The value of the encumbered assets, collateral received and associated liabilities is related to the median value of the reporting year by broad categories of asset type.

		010	030	010	030
		31-12-24		31-12-23	
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSS encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSS encumbered
010	Carrying amount of selected financial liabilities	8,036	9,897	7,857	8,927

EU AE4 – Accompanying narrative information

Encumbered assets are assets involving a pledge or claim and include loans deposited at the Central Bank, issued paper collateral for repurchase agreements and derivative contracts, re-issued paper collateral and collateralised buy-backs of BNG issues. In times of funding and liquidity needs, encumbered financial assets are not freely disposable to be able to meet these needs in the short term.

Selected financial liabilities consist of derivative positions with a negative balance sheet value which are covered by paper collateral. Collateral received by BNG comprises of debt securities issued by governments and financial corporations and is used for money market transactions. We also pledged a portfolio of loans with the Central Bank for monetary purposes. Since most of our assets could serve as collateral, this may be further extended in the event of prolonged stress.

ESG disclosures



In 2022, the European Banking Association (EBA) published binding standards for Pillar 3 disclosures on Environmental, Social and Governance (ESG) related risk categories. The standards put forward comparable disclosures and KPIs, including a green asset ratio (GAR) and a banking book taxonomy alignment ratio (BTAR). These are tools to demonstrate how institutions are embedding sustainability considerations in their risk management, business models and strategies. They also provide insight into their pathway towards the Paris Agreement goals.

Identifying and addressing risks is one of our core responsibilities. Including those arising from Environmental, Social and Governance (ESG) factors. In recent years, we placed increasing emphasis on identifying risks related to ESG. ESG risks are defined as actual or potential reputational damage resulting from ESG related events or from inadequate response to societal expectations. These risks may arise from any negative financial impact on BNG stemming from the current or future effects of:

- Environmental risks: Acute or chronic physical factors, or the involvement of BNG or associated third parties in the transition toward an environmentally sustainable economy;
- Social risks: Violations of human rights, employee rights, poverty or issues in client relationships, either caused by BNG or by related third parties;
- Governance risks: Inadequate corporate governance, unethical management or a lack of transparency by BNG or associated third parties.

Among the various ESG-risks, we focus most on environmental risks, as these were identified as most material. Environmental risk encompasses both climate risk and other environmental risks such as biodiversity loss and water scarcity. It includes both physical risks and transition risks:

- Physical risks may arise from more frequent and severe environmental events. These events can be acute, such as floods, or chronic, such as rising sea levels;
- Transition risks may arise from the process of adapting to a more environmentally sustainable economy, for example climate-related policy changes, technological developments or investor and consumer sentiment towards a greener environment. When emissions are relatively high, higher transition risks may occur due to potential future climate-related policy changes.

The occurrence of physical and transition risks is often inversely related. In response to the potential impact of physical risks rapid, stringent and far-reaching governmental policies may be introduced, which can lead to increased transition risks. Conversely, physical risks may increase over time if governmental policies are lacking.

This section focuses on risks arising from ESG factors to our own financial performance ('outside in'). In our Sustainability Policy we clarify how we aim to make a long-term contribution to society and the environment ('inside out'). For more information on how we manage our own impact, we refer to the 2024 Annual Report and the in 2024 updated Sustainability Policy.

Table 1, 2 and 3 – Qualitative information on Environmental-, Social and Governance risk

The information requirements outlined in tables 1, 2 and 3 of ITS No 2022/2453 on public disclosures by institutions are consolidated in this section. As described in the tables, the qualitative requirements for ESG risks are divided into three topics:

- Business strategy and processes;
- Governance;
- Risk management.

Business strategy and processes

Integration of ESG factors and risks

BNG is a publicly owned bank serving the public sector in the Netherlands. Our purpose is "driven by social impact". We do not aim to maximize profit or return on equity, but instead strive to support the Dutch public sector in addressing societal challenges by providing financing on the most attractive terms possible. Through our policies, we aim to make long-term contribution to society and the environment. Our core activities – lending and funding – as well as the management of our internal organisation and our role as an employer are embedded in the three dimensions of the ESG-model.

Our lending activities focus on the Dutch public sector. This includes Dutch public authorities, organisations that perform a public task (such as housing associations), institutions for which the government provides a guarantee (such as healthcare institutions and educational institutions), organisations whose share capital is at least 50% government-funded, and/or activities for which the government provides a 100% credit guarantee. We also finance projects in the energy, environmental, mobility, and networks sectors, as long as they fall within the public sector.

Our strategy, *Our Road to Impact*, is geared towards sustainability. At the end of 2023, we concluded the first three-year phase of this strategy with valuable results. In 2024, we

launched a revised strategy for the 2024-2026 period. Our goal is to strengthen our position as the leading funder in the public sector, contributing to a more social and sustainable Netherlands. The strategy guides how we select clients, how we serve them, and how the organisation is structured. We actively engage with clients to help them achieve their green and social objectives. Furthermore, we aim to be *demonstrably sustainable* – meaning we are transparent about our sustainability performance. Our ambition is to enhance both our clients' sustainability performance and our own. We also strive to ensure our organisation remains resilient and well-prepared for opportunities related to ESG. We use three main instruments to achieve these goals:

1. Inclusion and exclusion

BNG focuses exclusively on the Dutch public sector, including governments and organisations that serve the public. Examples include social housing associations, healthcare and educational institutions. Organisations of which the government owns at least 50% or whose activities are fully guaranteed by the government are also eligible.

We expect all of our clients to meet minimum standards regarding ESG themes such as climate change, biodiversity loss and the transition to a circular economy. Clients are also expected to credibly reduce their carbon footprint and to anticipate climate-related risks. In addition, it is important that they avoid 'lock-in' of emission-intensive assets.

BNG's ESG standards also set clear exclusions. We do not engage with potential clients involved in, for example, gambling, the manufacturing of cluster munitions, or the sex industry. We integrate ESG criteria, outlined in our ESG standards, into our loan acceptance process and client relationships. In doing so, we promote sustainable growth and limits risks.

2. Engagement

Engagement with our clients is an important tool for BNG. The discussions help:

- To make clients aware of the urgency and possibilities of sustainability;
- To gain insight into the measures clients have already taken, as well as their plans to manage and reduce the climate and environmental risks they are exposed to, which also affect BNG.

In order to optimize the effectiveness of these discussions, BNG compiles a picture of the ESG/sustainability issues confronting our clients. Key components include:

- Individual ESG ratings: BNG assesses clients on the basis of their CO₂e emissions, energy efficiency, physical risks and adaptation measures.
- Climate action plans: BNG monitors whether our larger clients have reduction targets and plans in place.
- BNG checks whether our assessment match those of the client and learn from each other.

In 2024, we made additional investments in the training of our client teams and in an improved client onboarding system. This enables us to define and monitor our client's sustainability targets more effectively.

3. Financing conditions

We are exploring the possibility of further encouraging sustainability through financing conditions and targeted financing propositions. We are currently working on a pilot project for loans aimed at encouraging sustainability among social housing associations. In the coming year, we will examine whether we can further expand this tool to other sectors.

The way in which BNG addresses human rights as an integral part of the value chain is set out in our human rights policy. It addresses the potential human rights issues related to BNG and our customers, suppliers and employees. We defined our human rights policy according to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our human rights policy will be updated in the first half of 2025. We will then also address how it affects our strategy, business model and internal processes.

ESG risks are an integral part of BNG's Risk Management Framework (RMF), which is our policy framework for identifying risks. The Risk Appetite Statement (RAS) forms a central component of this framework, in which risk limits are set. The RAS is updated annually on the basis of internal and external developments. The ESG Risk Materiality Assessments (RMAs), which are performed for all relevant traditional risk categories, provide key inputs for the RAS.

The RMAs are performed for the short-term (<3 years), medium-term (4-10 years) and long-term horizon (>10 years). These analyses are updated according to a schedule to ensure that the risk assessments remain up to date. The short-term analysis is updated

annually, the medium-term analysis every three years and the long term analysis every six years. For market, liquidity, credit, strategic and operational risk, BNG assesses the impact of ESG risks, whereas within credit risk this is executed per sector. This involves looking at the transmission channels by which ESG risks can lead to credit risk and an assessment of how material these risks are. For the most material ESG risks, metrics have been developed to monitor the identified risks.

Objectives, target and limits

To monitor the realization of the strategy, BNG has set objectives and measures the progress through indicators. In 2019, we signed the climate commitment of the Dutch financial sector. That commitment includes reducing the CO₂e emissions. Where we mention CO₂ in this document, we refer to all greenhouse gases that contribute to climate change (CO₂e) of our clients ("financed emissions") in line with the Paris Climate Agreement. As a follow-up to this commitment, we presented our climate action plan, Going Green, in 2022. This plan sets out the commitment to bring both the financed CO₂e emissions and the carbon footprint of our own operations in line with the Paris Climate Agreement. This means that, by 2050 at the latest, we will have reduced the CO₂e emissions from relevant activities in our value chain to net zero.

BNG climate targets

Our long-term target

2050: net zero CO₂e emissions for our value chain

Our medium-term targets

Absolute emissions

2025:
Scope 1 and 2 emissions of our loan portfolio **decreased by 25%** compared to 2018

2030:
Scope 1 and 2 emissions of our loan portfolio **decreased by 43%** compared to 2018

25%

43%

20252030

Relative emissions

2030:
CO₂e emissions per m² of **social housing associations** that we finance decreased by 62.3% compared to 2018

CO₂e emissions per m² of **healthcare institutions** financed by us decreased by 71.2% compared to 2018

CO₂e emissions per m² of **municipalities** financed by us decreased by 62.8% compared to 2018

CO₂e emissions per m² of **educational institutions** financed by us decreased by 62.0% compared to 2018

In 'Going Green', BNG's roadmap to net zero emissions is outlined. In addition to the long term goal of achieving net zero emissions by 2050, the climate plan contains two near-term absolute reduction targets for the absolute Scope 1 and 2 emissions financed through our loan portfolio. By 2025, the target is to achieve at least a 25% reduction in these financed emissions compared to 2018. By 2030, the target is a reduction of at least 43% compared to 2018.

BNG has set science-based targets for the emissions related to the real estate of the four main sectors that we finance. These targets are based on sectoral decarbonization pathways developed by the Carbon Risk Real Estate Monitor (CRREM). This has resulted in sector-specific targets for housing associations (reduction in CO₂e emissions per m2 in 2030 by 62.3% compared to 2018), health care facilities (reduction of 71,2% in 2030 compared to 2018), municipalities (reduction of 62,8% in 2030 compared to 2018) and educational real estate (reduction of 62% in 2030 compared to 2018). In 2024, BNG has submitted these near-term reduction targets to the Science Based Targets initiative (SBTi) for verification. We report annually on our financed emissions in our Annual Report and a dedicated 'climate progress report'. With regard to the absolute financed emissions (Scope 1 & 2) for the client groups for which we set reduction targets, a decrease in absolute CO₂e emissions by 3% compared to 2022 has been realized. That figure is -24% compared to 2018. For the sector-specific targets, the decreases amount to 5 to 18% in 2023 compared to 2022.

In our diversity and inclusion policy, we formulated objectives with regard to the diversity of our own organisation. BNG employs more than 450 staff members. We aim for at least 40% women across the entire organisation, including the Supervisory Board and Executive Committee. In terms of age distribution, we aim for a 50/50 split between employees aged 45 or under and those aged over 45.

Our remuneration policy is not explicitly linked to indicators regarding ESG. From 2025, performance management targets have been included for focus on ESG for senior management. However, 94% of our employees are subject to the Collective Labour Agreement of the Banking Industry. This agreement consists of among others social leave and volunteer work arrangements. These employees are subject to an annual performance evaluation that may result in a rise in fixed income. The criteria for this evaluation may or may not include ESG-indicators. Furthermore, the remuneration policy states that there is no distinction between the remuneration of men and women.

The limits of BNG are cascaded from the risk appetite statement towards limits on the level of a traditional risk type (and includes cascading to material ESG drivers). These limits are first approved in the Executive Committee subcommittee (depending on risk type) after which the total set of limits is approved in the Executive Committee.

- For credit risk a limit is in place for the completeness of ESG ratings within our loan portfolio. These ESG ratings include the material ESG impacts on credit risk, being both transition risk as physical risk as part of environmental risk. Although social and governance risk is part of the ESG rating, the impact on the outcome of the aggregated ESG rating is low, due to both a lower materiality and a lower quality of the information. The annual recalibration of the RMA may change this in 2025, if social risks become more important. We have already prepared for this by updating the Social part of our ESG assessment.
- The follow-up of our climate action plan (Going Green) for the four key sectors we finance is part of our credit risk management, specifically transition risk.
- In addition, we monitor strategic risk by comparing our external ESG rating with that of peer institutions. This comparison acts as a broader measure, helping us track developments in environmental, social, and governance risks.

Current and future investment strategies

Our current strategy is to serve the Dutch public sector by providing financing on the most attractive possible terms. We are regarded as one of the safest banks in the world. BNG can raise funding on the international money and capital markets at some of the lowest available interest rates, which we pass on to our clients – typically through straightforward financing instruments. We are the largest SSA (sub-sovereigns, supranational, agencies) bond issuer in the Netherlands after the Dutch state.

We measure the share of each portfolio that consists of bonds with an ICMA ESG bond label and report those to ALCO. In addition, the strategy department estimates CO₂-emission reductions for certain types of bonds – such as those issued by municipalities, public infrastructure projects, sovereigns, supranational or multilateral development banks. ESG risk materiality assessments are also carried out together with Risk Management.

Currently, ESG standards are applied solely to bonds issued by our clients, such as municipalities and public infrastructure entities. A plan is being developed to expand

both the CO₂-emission reduction measures and ESG standards to other bonds within our portfolios. This will enable us to provide clearer information on our current and planned investment in environmentally sustainable activities, as well as in sectors aligned to the environmental objectives.

In February 2025, the European Commission introduced the Omnibus proposal, which proposes changes to the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy for sustainable economic activities, among other sustainability reporting requirements. The CSRD is a directive that requires all large companies to publish regular reports on their environmental and social impact activities. The EU Taxonomy is a classification system that defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate. Both the CSRD and the EU Taxonomy play an important role in the European Union's Green Deal. The Omnibus proposal includes a review of both the mandatory reporting timelines and the scope of companies required to report. As the legislative process of said proposal is still ongoing, we are actively monitoring these developments and assessing their potential impact on our sustainability reporting.

Policies and procedures

ESG risks are integral part of our internal strategic decision making process. To be flexible and to be able to react swiftly on changes in our internal or external business environment, we review our strategy annually. We do this in line with our strategic decision-making process, with a clear governance and cascading of strategic choices to tactical and operational level.

In this decision-making process, we combine several internal and external analyses: Trend analyses based on PESTE (Political, Economic, Social, Technological and Environmental developments), SWOT, Porter 5-Forces (i.e.: business and market and competitive analyses) and the analysis and the expectations of our customers, investors and other stakeholders. Materiality assessment from the RMA's and DMA were important components for the outside in view. In 2025, prior to the update of the RMAs, we will prepare a sector analysis in accordance with the afore mentioned business environment factors (macroeconomic variables; competitive landscape; policy and regulation; technology; geopolitics) and map them in more detail. Outcomes of this sector analysis will be discussed in the sector working

groups and can additionally be used for strategic decision-making at the sector level and possibly provide new risk factors for the RMAs.

With our Integrity Policy, including Customer Due Diligence (CDD) and the accompanying guidelines and instructions, we identify and assess risks related to ESG for individual clients. At this stage, we are particularly focused on sustainability aspects, such as human rights (including potential negative social impacts of the client's activities), and tax integrity. We aim to further expand our policies in the near future, in line with our own sustainability ambitions and developments in the market.

We are in close contact with our clients. To help discuss societal topics, we have collated the key themes for each specific client group in a tool. The themes are based on sector ambitions and form a consistent whole with our impact framework. It enables us to guide for conversations with clients and to gradually gain more insight into how they approach societal themes and how we can better help them to achieve their ambitions in this area. We expect commitment from our clients in relation to social and environmental objectives, and expect them to show progress. Depending on the progress made, these conversations may involve more stringent guidance. In this regard, we do not rule out placing conditions on loans, or ultimately even excluding clients.

Since 2023, reducing CO₂-emissions has been on the agenda in strategic client conversations with all of our larger clients, including housing associations, municipalities and healthcare and educational institutions. With these clients, we can check whether they have their own climate targets. From 2024 onwards, we analyzed whether the reduction plans of our larger clients are in line with the climate agreement or with their own sector targets. Starting in 2025 onwards, for most of our clients, having a climate action plan in place – either at the corporate or asset level – will be a prerequisite for financing.

ESG risks can negatively impact clients' credit ratings or collateral. To map these risks, we have implemented an ESG-rating methodology. With this methodology, we estimate ESG risks for each individual client. We have also translated ESG credit risk into a pricing tool, making ESG risk an integral part of pricing.

Governance

Internal governance and responsibilities

BNG is a statutory two-tier company under Dutch law. The governance structure comprises the Management Board, which is part of the ExCo, and the Supervisory Board. The Supervisory Board oversees the policies of the ExCo and the general state of affairs at the company and subsidiaries. The members of the Supervisory Board are appointed by a General Meeting of Shareholders on the recommendation of the Supervisory Board. The ExCo is responsible for the overall strategic course and business model, including sustainability-related topics.

The Sustainable Banking Committee (SBC) is tasked with setting, implementing and reporting on BNG's comprehensive sustainability policy. This includes overseeing our long-term environmental and social contributions and identifying material ESG risks that could have a negative impact on our performance. The committee is comprised of two ExCo members along with the senior management from those business units most closely involved with sustainability. The ESG Regulatory Change Framework (RCF) Task Force identifies upcoming legislation in the area of ESG and the impact on BNG.

Governance performance of our counterparties

BNG focuses on the Dutch public sector. The lending portfolio is almost exclusively allocated to the Netherlands. Many of our clients operate under governance requirements that are embedded in legislation and monitored by governmental institutions.

Together with our clients we are committed to supporting the sustainable transition. The relationship is built on mutual respect, collaboration and professionalism. We encourage our clients to operate in a sustainable and responsible manner. When assessing new clients, BNG applies behavioural criteria laid out in both customer policy and the integrity policy to determine whether a client is eligible for acceptance. The customer policy connects ESG-criteria to our articles of association and outlines restrictions around excluding clients during the onboarding process. Our integrity policy also incorporates ESG-criteria, although the primary focus lies in our role as a gatekeeper regarding financial crime (such as the Wwft and Sanctions Act).

We recognize the importance of assessing, analyzing and documenting governance-related aspects at the client level. That is why these elements are integrated into both the client acceptance and credit assessment processes, rather than being handled in a separate procedure.

As part of our client due diligence and credit assessment processes, we evaluate several governance-related aspects:

a) *ethical considerations*, including integrity of conduct, values and ethics, anti-bribery and anti-corruption measures, accountability and rule of law – signals may arise from, among other sources, negative press screenings. These signals are addressed as discussion points in strategic client conversations and are part of the client assessment process.

(b) *strategy and risk management*, including strategy implementation, operational execution and monitoring, internal controls and risk management policies and procedures – these elements are inventoried during the annual credit review process and factor into the credit risk weighting.

(c) *inclusiveness*; including, gender gap and representation of people from minority groups in the management and income disparities – excesses are identified through various sources such as internal satisfaction surveys, absenteeism rates, or negative press, and discussed with the client.

(d) *transparency*; including disclosures on discrimination, tax commitments and payments, disclosure on lobbying activities, and rules and practices – these items are inventoried as part of the annual credit review process and are included in the credit risk assessment.

(e) *management of conflict of interest*, including processes used by the highest governance body to avoid, manage and mitigate such conflicts – as well as internal communication on critical concerns, such as the counterparty escalates issues to top governance levels. These matters are continuously monitored from a reputation risk perspective and reported through Compliance.

Risk management

Integration of ESG risks in our risk framework

The majority of the loans that we provide are granted to or guaranteed by government bodies. Compared with other banks, the risks BNG faces are limited. This is reflected by our strong external credit ratings. Nevertheless, identifying and addressing risks is one of our core activities. This includes the risks arising from ESG. Like the rest of the financial sector, we have increased our focus on ESG risks in recent years.

ESG risks are embedded in our existing risk management framework. The ESG factors with a material impact on BNG have been laid down in the definitions of the traditional risk types. ESG factors are discussed in the relevant Executive Committee subcommittees. The Credit (Policy) Committee STMP manages and monitors the impact that ESG factors could have on our credit risks. The Treasury Credit Committee monitors and manages the impact that ESG factors could have on our credit risks in relation to financial counterparties and investments. The Non-Financial Risk Committee (NFRC) supports the Executive Committee with regard to topics that fall under operational, compliance and security risks, including the impact that ESG factors could have on these risks. Finally, the Asset & Liability Committee manages BNG's liquidity, market, refinancing and solvency risks, including the impact of ESG factors on these areas.

ESG risks are integrated into the reporting of the traditional risk types, with material ESG drivers made within those reports. For each traditional risk type, ESG-related risks are reported to the relevant Executive Committee subcommittee at least quarterly. In the quarterly integrated risk reporting to the Executive Committee and the Supervisory Board, a summary of ESG drivers impacting traditional risk drivers is also reported separately to offer an overarching view of ESG risk. Because materiality assessments currently show higher materiality for environmental drivers and lower materiality for social and governance drivers, the current focus in risk reporting is now on environmental risks. This focus may shift if the materiality outcomes change in the future.

Activities, commitments & exposures to mitigate ESG-risks

BNG has a conservative risk profile. We apply a strict capital policy, place restrictions on services and counterparties and do not engage into proprietary trading. A significant portion of our portfolio consists of guaranteed loans. We expect that these guarantees will be honoured should ESG risks materialize.

The most significant ESG risks identified in the credit risk category relate to climate and environmental factors. Of these, the risk that climate policies may increase the likelihood

of bankruptcy is considered the most material. In certain phases, physical risks are also considered material. This assessment is based on the assumption that, in the event of an environment-related disaster, insurance or government support will help mitigate part of the damage and losses. Social and Governance factors (the “S” and “G” in ESG) are considered to be less material for BNG. This is primarily due to our strong focus on the Dutch market, which benefits from robust governance standards. Any impact of social and governance risks is more likely to result from isolated incidents than structural issues. Below is an overview of the key ESG risks based on our balance sheet for the medium term:

Risk type	Sector/portfolio/sub-risk		Material ESG factors
Credit risk (counterparty & concentration risk) – creditworthiness	Social housing		Emissions, Energy Efficiency
	Healthcare		Emissions, Energy Efficiency
	Education		Emissions, Energy Efficiency
	Local authorities		Emissions, Energy Efficiency, Biodiversity
	Networks	Energy networks	Emissions, Energy Efficiency
		Heat networks	Emissions, Energy Efficiency
		Water networks	N/A
	Environment	Municipal cleaning companies	N/A
		Waste processors	Emissions, Energy Efficiency
	Mobility	Infrastructure	Emissions, Energy Efficiency, Raw Material Sourcing, Biodiversity
		Public transport	Emissions, Energy Efficiency, Raw Material Sourcing
	Energy	Solar	N/A
		Wind	Biodiversity
		Biomass	Raw Material Sourcing
		Geothermal	N/A
Credit risk (counterparty & concentration risk) – collateral value	Real estate		N/A
	Equipment		N/A
	Receivables		N/A
Market risk (credit spread risk)	Governments		Emissions, Energy Efficiency
	Financials		Emissions, Energy Efficiency
	Covered bonds		N/A
	RMBSS		N/A
Liquidity risk (short-term liquidity risk)			N/A
Operational risk	Process risk		Impact of ESG laws and regulations on embedding in processes
	Model risk		Development of an ESG rating model to be able to rate clients in the field of ESG
	Data management risk		Providing ESG-related data
	External event risk		Impact of climate aspects on business operations

When it comes to ESG risks, the past is a poor indicator of the future. BNG's loan portfolio has a significant geographic concentration in the Netherlands. We are aware that ESG factors could influence the willingness of the Dutch public sector to provide new guarantees in the future. This in turn, could affect our business model and strategy.

BNG closely monitors ESG developments and ensures it is protected against related risks. We are working to better quantify ESG risks and improve the modelling of these risks. This includes creating new models and calculating the impact of negative ESG scenarios and shocks. The goal is to generate ESG risk estimates at both the client and portfolio level, which we will use to adjust our policies accordingly. For example, we aim to incorporate ESG risks into the interest rates we charge and the collateral we require from clients.

At client level, ESG risks are analysed during the application and review processes. Using the ESG Rating, Weighted Average Carbon Intensity (WACI) data and the standards framework, we analyse each client's ESG status and progress. Conclusions are documented in the application or revision report and reviewed by the credit rating agency. If there are indications of increased credit risks, further analysis is conducted. The result of these discussions becomes part of the client file and is monitored on an ongoing basis.

Identification, measurement and management of ESG risks and transmission channels

For each sector, BNG assesses how ESG risks affect credit risk. This includes identifying the transmission channels through which ESG risks can lead to credit risk, followed by assessment of the materiality of those risks. For the most material ESG risks, specific metrics have been developed to monitor the risks. The material ESG risks also form an important basis for the ESG rating of each client and for the ESG section of the credit revision process. Another key risk Indicator (KRI) that has been developed is the KRI for Weighted Average Carbon Intensity (WACI). WACI is used to calculate the CO₂-intensity and serves as a reporting tool to monitor the carbon intensity of client activities.

Climate risks are also part of our stress test program. The impact of climate risks is assessed in our Internal Capital Adequacy Assessment Process (ICAAP) (in an economic and normative perspective). Under the normative perspective, climate risks are considered within three-year horizon scenarios climate risks. The determination of which types of

climate risks are included in the scenarios is, among others, based on the RMAs. The custom-made (macro) economic projections are provided by an external party with experience in generating climate scenarios.

For ICAAP 2025, the adverse climate scenario envisions catastrophic flooding of major European rivers, resulting in severe economic disruption across affected countries, such as the Netherlands, Germany, and France. The flooding leads to property destruction, business closures, power outages, and a significant decline in economic activity. For BNG, the most important client groups, such as the social housing sector suffers substantial flood-related damage. The outcomes of the scenarios have been discussed with relevant internal stakeholders and approved by the ALCO.

We consider ESG risks to be part of the traditional risk categories, such as credit, market, liquidity and operational risks. Based on the risk materiality assessment, material ESG drivers to traditional risk types are identified, earmarked, and explicitly incorporated into the risk management framework. This includes, for example, the setting of possible key risk indicators, such as limits, for material ESG drivers related to specific risks. Currently, the materiality assessment shows (high) materiality only for environmental risks, KRIs are focused on environmental factors. However, if social and governance drivers would become more material in future assessments, these elements will also be included in our key risk indicators. Ultimately, internal decision-making for ESG risk follows the same process as for traditional risk types, according to our three lines of responsibility model. More information about the Risk Management Framework and the risk types can be found in the 2024 Annual Report, specifically in the section on Risk management in the chapter on Internal Business Operations.

BNG integrates ESG risks into the reporting of traditional risk types, explicitly mentioning material ESG drivers. We report at least quarterly to the relevant subcommittees of the Executive Committee. A summary of ESG drivers influencing traditional risk drivers reported separately to the Executive Committee and the Supervisory Board.

The risk materiality assessment for ESG risk is a two-step process:

1. High-level assessment of ESG impact on BNG;
2. In-depth ESG RMA for selected risk types.

Step 1: High-level assessment of ESG impact on BNG

In this step, all (sub)risk types, aligned with BNG's risk taxonomy, are evaluated for potential additional ESG impact. If an ESG impact is identified for a specific risk type, an in-depth ESG RMA is conducted. If no potential additional ESG impact is expected, the reasoning is documented, and the impact is assessed as non-material. This step relies on expert judgment.

Step 2: In-depth ESG RMA for selected risk types

When potential additional ESG impact is identified, an in-depth ESG RMA is conducted to identify relevant transmission channels, risk drivers and assess their materiality. Each ESG driver is evaluated by combining probability (certain, likely, unlikely, rare) with impact (low, medium, high). The results are categorized as green (no material impact), orange (somewhat material impact), or red (material impact). This step uses quantitative measures where possible, supplemented by expert judgment.

The referenced diagram shows which risks are material for BNG, with environmental risks having the most material impact. For social and governance risks, some ESG drivers are considered somewhat material. By continuously updating materiality assessments according to the update schedule, focus is maintained on all ESG areas of concern. The ESG rating is structured accordingly, with E, S, and G ratings.

For each sector, we assess the impact of ESG risks on credit risk, examining the transmission channels through which ESG risks can lead to credit risk. Metrics have been developed to monitor the most material ESG risks. These material ESG risks form an important basis for the ESG rating per customer and the ESG component as part of the credit review process. An example of a Key Risk Indicator is the Weighted Average Carbon Intensity (WACI), used to monitor the CO2 intensity of a customer's activities.

Mitigating Actions and Exposures

We consider climate risks as part of our stress testing program and assess their impact in our Internal Capital Adequacy Assessment Process (ICAAP). We use climate scenarios, partly calculated based on the Climate Impact Atlas, and link this data to the locations of our exposures through geocoding. Since it is an integral part of the ICAAP, the outcome of

the climate scenarios is used to assess whether our capital is sufficient to withstand that scenario. In this context, the climate scenario is input for the capital planning.

Efforts to improve data availability, quality and accuracy

BNG is dealing with an increasing amount of ESG-related data, and the importance for ESG-related data for decision making is growing.

We have made significant strides in ESG data collection and are working on establishing an ESG data governance with clear roles and responsibilities. We collaborate with the Nederlandse Vereniging van Banken (NVB) on an ESG data schema. While ESG data is currently extracted directly from sources (for example Telos and client documents/strategic conversation), we plan to implement a data warehouse in the future. The ESG data we collect at individual client level and through other sources provides qualitative data insights to interpret prudential risk categories such as credit, market, liquidity risks, and more. As an example of our ESG data performance we refer to our PCAF Report 2024.

Governance performance of our counterparty

When assessing new clients, we apply behavioral criteria set out in both the customer policy and the customer due diligence (CDD) policy to determine whether a client is eligible for onboarding. A key part of the application and review process is the degree to which a client is willing and able to share relevant information transparently. As part of due diligence, we critically evaluate auditors' statements and hold strategic face-to-face meetings with larger client groups to ensure open dialogue and assess transparency.

BNG mainly does business with public sector entities or organisations with majority public ownership (over 50%). During client assessments, governance structures and operational performance are reviewed. However, due to the generally strong governance standards in the Netherlands, these factors are only considered material when there are indications of potential governance weaknesses. In such cases, governance performance is explicitly assessed and incorporated into the review. This targeted approach is embedded in our customer policy.

Template 1 – Banking book – climate change transition risk: credit quality of exposures by sector, emissions and residual maturity

Template 1 provides quantitative information on climate change transition risk and is used to provide information on the exposures that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. We have to disclose information on exposures towards non-financial corporates operating in carbon-related sectors and information on scope 1, 2 and 3 Green House Gas (GHG) emissions of our counterparties:

- Scope 1 emissions are classified as direct emissions caused by sources owned (or under control of) the counterparty;
- Scope 2 compiles of indirect emissions from the generation of energy purchased or acquired by the counterparty (i.e. electricity, steam, heat and cooling);
- Scope 3 emissions (also known as value chain emissions) comprise all other indirect emissions not included in scope 2 that are emitted in the whole value chain of the counterparty.

The overview of financed emissions are aggregated at the Nomenclature of Economic Activities (NACE) sector level. Emissions related to BNG's loan portfolio have been estimated at borrower level. The estimation method differs per sector. However, within a sector the method is aligned. For all sectors within the long term loan portfolio emissions are estimated and reported: social housing, healthcare, education, public infrastructure (public transport, infrastructure, waste collection and processing, drinking water companies and network operators) and energy. As the emission data does not cover the short term loan portfolio and only 48% of the bond and medium term notes portfolio, not all exposures reported in this template have related emissions. More than 96% of the exposures under pillar 3 are estimated for scope 1 (97%) and scope 2 (96%), respectively 88% of counterparties reported under pillar 3 are estimated. For scope 3, 13% of the exposures and 44% of the counterparties are estimated. Due to data challenges, and as can be seen in the methodological descriptions below, only a small fraction of scope 3 emissions are measured. As scope 3 concerns all value chain emissions, it is considered separately from scope 1 and 2 which covers direct and indirect emissions from a specific

counterparty. The estimation method has incrementally improved in validity, scope and exposure/counterparty coverage each reporting year.

We use the Partnership for Carbon Accounting Financials (PCAF) methodology in the measurement and calculation of the emissions of our counterparties and the associated financed amount. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the GHG-emissions associated with their loans and investments. Financed emissions have been calculated by multiplying the GHG-emissions of individual counterparties by the proportionate share of the outstanding loan volume with BNG in the total balance sheet (equity plus debt) of the client.

The full PCAF report, which includes a detailed description of all calculations and data sources, is published on the website of BNG. As mentioned, the estimation method differs per sector. More information is provided regarding the sources of the data used for the different emissions and calculations used by BNG.

Methodology for social housing, healthcare and education sector

Energy use by buildings (addresses) is used to measure the scope 1 and 2 emissions for the social housing associations. This data is retrieved from the grid operators and entails actual energy consumption of gas, electricity and heat. Please note that, due to privacy legislation, addresses of clients have been clustered into groups of 5. Consecutively this is converted to emissions by using emission factors for the corresponding energy type. These emissions can be classified as physical-activity based.

For the healthcare institutions it's more difficult to collect location and energy data. In previous years, for only 10 to 15% of the healthcare institutions energy consumption data was received from network operators. For the remaining part, key figures were used. This year it was not possible to gather energy consumption data from network operators for

the healthcare institutions. Therefore only key figures have been used. These key figures are based on previous years' energy consumption and are adjusted to 2023, based on energy consumption trends known by CBS.

For educational institutions it was also not possible to collect energy consumption data from network operators. The same approach was used as for healthcare institutions.

In addition, the scope 3 emissions from employee commuting are measured for 'healthcare' clients. Average travel distance per person on province level is available from the Dutch Central Bureau of Statistics. The average distance is multiplied by the average distance travels per mode of transport (bus, tram, metro, train, bike, car (passenger/ driver) and other modes). The average travel distances per mode of transport is then attributed on the basis of number of FTE per healthcare entity on province level. The cumulative distances per mode of travel per entity is then multiplied by CO₂e-factors corresponding to the distance travelled per mode of transport. These emissions can be classified as physical-activity based.

Methodology for drinking water companies

Companies in this sector have jointly developed a method on how to measure their scope 1, 2 and 3 emissions, namely the 'Code of Practice'. With this uniform practice, drinking water companies aim to provide a complete calculation of emissions. The scope 1 emissions comprise of emissions related to the extraction and treatment of groundwater and the natural gas and generators used. In addition, the use of vehicles per institution is also considered. The indirect emissions that fall within scope 2 are linked to the different types of purchased energy. The other indirect emissions (scope 3) are any local or international travels, chemicals used, transport by suppliers and transport of residual products. For each of these indicators a unit is determined which is multiplied by an emission factor. A more detailed description of the specific methodology can be found on their website

As the calculations are prepared by use of the 'Code of Practice' which is developed by the sector themselves, BNG does not use a separate methodology and/or calculations.

Methodology for other public infrastructure sectors

Where possible, the GHG emissions reported by clients in the sectors public transport, infrastructure, waste collection and processing, and network operators were directly used. However, not all counterparties report energy or emissions data. For the remaining counterparties, the scope 1, 2 and 3 emissions were estimated based on economic activity data. More specifically, the PCAF database was used to obtain emission factors for the asset class 'business loans'. Subsequently, the counterparty's NACE code was used to find the most suitable PCAF sector (Classification level 1) and corresponding emission factors. These emission factors have been combined with the outstanding loan amount of the counterparty to obtain the financed GHG emissions.

31-12-2024

(in million EUR)

31-12-2024		Gross carrying amount/nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12 (1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which: Stage 2 exposures	Of which: non-performing exposures	Of which Scope 3 financed emissions									
(in million EUR)																	
1	Exposures towards sectors that highly contribute to climate change*	56,617	854	-	26	332	-37	0	-35	1,079,333	288,371	93%	7,827	11,303	12,677	24,811	12
2	A – Agriculture, forestry and fishing	0	-	-	0	-	0	0	-	-	-	-	0	-	-	-	-
3	B – Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	B.05 – Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	B.06 – Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	B.07 – Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	B.08 – Other mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	B.09 – Mining support service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	C – Manufacturing	9	-	-	-	-	-	-	-	633	386	-	1	3	4	-	11
10	C.10 – Manufacture of food products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	C.11 – Manufacture of beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	C.12 – Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	C.13 – Manufacture of textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	C.14 – Manufacture of wearing apparel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	C.15 – Manufacture of leather and related products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	C.17 – Manufacture of pulp, paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	C.18 – Printing and service activities related to printing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	C.19 – Manufacture of coke oven products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	C.20 – Production of chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	C.21 – Manufacture of pharmaceutical preparations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	C.22 – Manufacture of rubber products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	C.23 – Manufacture of other non-metallic mineral products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	C.24 – Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C.26 – Manufacture of computer, electronic and optical products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	C.27 – Manufacture of electrical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
28	C.28 – Manufacture of machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30	C.30 – Manufacture of other transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	C.31 – Manufacture of furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32	C.32 – Other manufacturing	9	-	-	-	-	-	-	633	386	-	1	3	4	-	11	
33	C.33 – Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
34	D – Electricity, gas, steam and air conditioning supply	1,335	346	-	10	5	-1	0	41,137	11,854	5%	158	490	685	2	34	
35	D35.1 – Electric power generation, transmission and distribution	1,232	243	-	10	5	-1	0	41,137	11,854	11%	158	490	582	2	11	
36	D35.11 – Production of electricity	686	-	-	7	3	0	0	3,172	2,437	-	51	250	382	2	10	
37	D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	102	102	-	-	-	-	-	-	-	-	-	-	102	-	13	
38	D35.3 – Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39	E – Water supply; sewerage, waste management and remediation activities	1,563	-	-	0	33	-2	0	267,040	20,881	88%	364	735	426	38	9	
40	F – Construction	826	-	-	8	61	-33	-	116,884	101,240	-	156	196	342	132	44	
41	F.41 – Construction of buildings	586	-	-	-	61	-33	-	79,724	68,975	-	118	194	248	25	10	
42	F.42 – Civil engineering	224	-	-	8	-	0	-	36,817	32,055	-	38	-	80	106	18	
43	F.43 – Specialised construction activities	16	-	-	-	0	0	-	343	209	-	-	2	14	-	16	
44	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	65	28	-	-	-	0	-	19,960	4,598	-	2	34	29	-	12	
45	H – Transportation and storage	822	477	-	-	96	0	-	170,699	147,515	44%	280	179	167	196	37	
46	H.49 – Land transport and transport via pipelines	221	-	-	-	-	-	-	9,768	5,788	-	-	-	28	193	26	
47	H.50 – Water transport	4	-	-	-	-	0	-	753	446	-	4	-	-	-	4	
48	H.51 – Air transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
49	H.52 – Warehousing and support activities for transportation	597	477	-	-	96	0	-	160,179	141,280	60%	276	179	139	3	7	
50	H.53 – Postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
51	I – Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
52	L – Real estate activities	51,997	3	-	8	136	0	-	462,980	1,896	98%	6,865	9,665	11,023	24,444	21	
53	Exposures towards sectors other than those that highly contribute to climate change*	6,657	-	-	549	91	-17	-8	-7	223,591	50,564	83%	828	1,343	2,454	2,032	40
54	K – Financial and insurance activities	506	-	-	0	-	0	-	95	76	-	39	-	-	467	25	
55	Exposures to other sectors (NACE codes J, M – U)	6,152	-	-	549	91	-17	-8	-7	223,496	50,488	83%	790	1,343	2,454	1,565	15
56	TOTAL	63,275	854	-	574	424	-53	-8	-42	1,302,924	338,934	91%	8,655	12,646	15,130	26,843	20

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
31-12-2023	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12 (1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which: Stage 2 exposures	Of which: non-performing exposures	Of which Scope 3 financed emissions										
(in million EUR)																	
1	Exposures towards sectors that highly contribute to climate change*	50,647	532	-	64	397	-31	-1	-29	494,249	268	-	7,227	9,210	12,173	22,037	144
2	A - Agriculture, forestry and fishing	0	-	-	0	-	0	0	-	-	-	-	0	-	-	-	-
3	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	B.08 - Other mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	B.09 - Mining support service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	C - Manufacturing	9	-	-	-	-	-	-	-	-	-	-	2	2	5	-	10
10	C.10 - Manufacture of food products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	C.11 - Manufacture of beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	C.13 - Manufacture of textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	C.14 - Manufacture of wearing apparel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	C.15 - Manufacture of leather and related products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	C.17 - Manufacture of pulp, paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	C.18 - Printing and service activities related to printing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	C.19 - Manufacture of coke oven products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	C.20 - Production of chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	C.21 - Manufacture of pharmaceutical preparations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	C.22 - Manufacture of rubber products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	C.23 - Manufacture of other non-metallic mineral products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	C.24 - Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	C.26 - Manufacture of computer, electronic and optical products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	C.27 - Manufacture of electrical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
28C.28 – Manufacture of machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29C.29 – Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30C.30 – Manufacture of other transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31C.31 – Manufacture of furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32C.32 – Other manufacturing	9	-	-	-	-	-	-	-	-	-	-	2	2	5	-	10
33C.33 – Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34D – Electricity, gas, steam and air conditioning supply	785	-	-	62	10	-5	-1	-4	-	-	-	45	84	653	2	30
35D35.1 – Electric power generation, transmission and distribution	685	-	-	62	10	-5	-1	-4	-	-	-	45	84	554	2	6
36D35.11 – Production of electricity	556	-	-	57	-	-1	-1	-	-	-	-	11	77	466	2	10
37D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	99	-	-	-	-	-	-	-	-	-	-	-	-	99	-	14
38D35.3 – Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39E – Water supply; sewerage, waste management and remediation activities	640	-	-	0	-	0	0	-	-	-	-	152	267	221	-	9
40F – Construction	2,414	-	-	-	143	-22	-	-22	13,506	-	-	546	328	518	1,023	31
41F.41 – Construction of buildings	2,157	-	-	-	143	-22	-	-22	13,409	-	-	487	326	433	912	12
42F.42 – Civil engineering	235	-	-	-	-	0	-	-	97	-	-	48	-	75	111	9
43F.43 – Specialised construction activities	22	-	-	-	0	0	-	-	-	-	-	10	2	10	-	10
44G – Wholesale and retail trade; repair of motor vehicles and motorcycles	63	29	-	-	-	0	-	-	23	-	-	1	8	55	-	12
45H – Transportation and storage	774	497	-	-	99	0	-	-	12,897	268	-	131	386	122	135	35
46H.49 – Land transport and transport via pipelines	179	-	-	-	-	-	-	-	1,015	-	-	47	-	-	132	19
47H.50 – Water transport	5	-	-	-	-	0	-	-	-	-	-	5	-	-	-	5
48H.51 – Air transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49H.52 – Warehousing and support activities for transportation	590	497	-	-	99	0	-	-	11,882	268	-	79	386	122	3	11
50H.53 – Postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51I – Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52L – Real estate activities	45,961	6	-	2	145	-4	-	-3	467,823	-	-	6,349	8,134	10,600	20,877	17
53Exposures towards sectors other than those that highly contribute to climate change*	4,824	-	-	678	84	-51	-11	-29	84,247	9,660	-	554	1,085	1,663	1,522	37
54K – Financial and insurance activities	593	-	-	-	3	0	-	-	-	-	-	3	-	85	505	21
55Exposures to other sectors (NACE codes J, M – U)	4,231	-	-	678	81	-51	-11	-29	84,247	9,660	-	551	1,085	1,577	1,018	16
56TOTAL	55,471	532	-	742	481	-82	-12	-58	578,495	9,928	-	7,780	10,295	13,836	23,560	181

The data in these templates includes exposures to non-financial corporations with activities in the defined sectors, classified according to their NACE code. The predominant sector in this overview is “L: real estate”. This sector includes the exposures of BNG to housing associations, which is one of the main financing sectors of BNG . Local governments, another important financing sector for BNG is not included in these overviews.

Template 2 – Banking book – climate change transition risk: loans collateralised by immovable property – energy efficiency of the collateral

In template 2, banks are required to disclose the climate transition risk related to loans collateralised by immovable property as per 31-12-2022. BNG mortgage portfolio (HVO portfolio) was sold in 2022 and has been liquidated in 2023. As BNG does not have such specific portfolios containing immovable properties, this template is not applicable.

Template 3 – Banking book – Climate change transition risk: Alignment metrics

BNG has set decarbonization targets for various key sectors that are not covered by the mandatory NACE codes but are relevant to our portfolio. These targets are aligned with the NZE2050 objectives and follow the 1.5°C scenario, using decarbonization pathways from the Carbon Risk Real Estate Monitor (CRREM). They have been submitted to the Science-Based Targets initiative (SBTi) for approval in 2025. Since BNG has not set interim targets for 2025 in line with the 1.5% benchmark, the targets for the reference year plus three years (column G) reflect the 2030 goals instead. Sectors covered by mandatory NACE codes currently do not have NZE2050-aligned targets.

Due to the use of an alternative internal selection method used to identify counterparty sectors, not all counterparties are included under the NACE code. The selection methods will be reviewed internally to enable standardization across all reports. For transparency, these exposures are still included in the template, although columns D to G remain blank. Further details on our climate strategy and sector targets are available in our climate plan *Going Green* and our 2024 Climate Action Progress Report.

We applied an improved selection methodology to the additional sectors reported in Template 3 (row 9 to 12) to enhance alignment with these targets. Targets are based on sectors considered most relevant for our business model. These sectors may not fully align fully NACE codes in practice. As a result, clients within the same sector and subject to the same target, may operate using a different NACE code. To report the most meaningful

gross carrying amount relative to the set targets, we have improved the methodology to include a sector analysis. In the Pillar III Interim Disclosure Report of June 2024, additional sectors were selected solely based on the four highest gross carrying amounts per NACE code. The portfolio was sorted by NACE code and corresponding aggregated gross carrying amount, and the four highest amounts were reported.

The improved methodology builds further on this approach. In the current report, additional sectors were selected based on NACE codes (column B), gross carrying amounts (column C), *and* reported sectors with targets (column G). Where possible, only health care institutions and housing associations were included in the reported gross carrying amounts of the additional sectors (row 9 to 12; see footnotes in template). As sector ‘water production, treatment and supply’ currently has no target, no additional sector filter was applied when calculating the gross carrying amount of NACE code 3600. For brevity, similar sectors were also aggregated in their reported gross carrying amounts (row 9, 10, and 12; column A and C).

Due to reclassification of large clients from NACE code 4110 (Development of building projects) to code 6820 (Renting of real estate), the gross carrying amount of code 4110 decreased substantially from EUR 1,950 million (as per interim Disclosure report of June 2024) to EUR 413 million. Code 4110 was not reported as only the NACE codes with the four highest gross carrying amounts are included.

31-12-2024						
	a	b	c	d	e	f
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***
						Target (year of reference + 3 years)
1	Power	3511; 3512; 3513; 3514; 4321	1,248			
2	Fossil fuel combustion	3521	102			

31-12-2024							
3	Automotive	-	-				
4	Aviation	5223	84				
5	Maritime transport	5222;5224	503				
6	Cement, clinker and lime production	-	-				
7	Iron and steel, coke, and metal ore production	-	-				
8	Chemicals	-	-				
9	Real estate activities & Management of real estate on a fee or contract basis ¹	6820, 6832	51,314	kgCO2e/m2	2023	99.26%	11,04 kg CO2e/m2
10	Human health services and social work activities & Other human health activities ²	8610, 8690	2,635	kgCO2e/m2	2023	188.64%	25,08 kg CO2e/m2
11	Water production, treatment and supply	3600	942				
12	Residential nursing care facility services & Residential care activities for the elderly and disabled ²	8710, 8730	1,457	kgCO2e/m2	2023	188.64%	25,08 kg CO2e/m2

¹ Only lending to housing associations is included.
² Only lending to healthcare institutions is included.

30-6-2024							
	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	3511, 3513, 3514, 4321	840	-	-	-	-
2	Fossil fuel combustion	3521, 4671	125	-	-	-	-
3	Automotive	-	-	-	-	-	-
4	Aviation	5223	62	-	-	-	-

30-6-2024

5	Maritime transport	5222, 5224	512	-	-	-	-
6	Cement, clinker and lime production	-	-	-	-	-	-
7	Iron and steel, coke, and metal ore production	-	-	-	-	-	-
8	Chemicals	-	-	-	-	-	-
9	Real estate activities	6820	47,583	kgCO2e/m2	2022	140.76%	11,04 kg CO2e/m2
10	Construction of buildings	4110	1,950	kgCO2e/m2	2022	140.76%	11,04 kg CO2e/m2
11	Human health services and social work activities	8610	2,763	kgCO2e/m2	2022	211.40%	25,08 kg CO2e/m2
12	Waste-to-energy companies	3821, 3832	530	-	-	-	-

Template 4 – Exposures in the banking book to the top 20 carbon-intensive firms in the world

BNG does not compile a top 20 list but uses available lists. In the determination which list BNG would use, several criteria are taken into consideration. The measurement date of the emission data used, the selection of companies made, the scope of the emission data used and the Carbon equivalents are criteria that are included.

The following lists were assessed based on the above mentioned criteria:

- Carbon Majors Database from the Carbon Disclosure Project;
- Thomson Reuters Global 500 Greenhouse gas performance;
- Thomson Reuters Global 500 Fossil fuel energy sectors.

BNG has selected the top 20 list provided by the Carbon Majors Database from the Carbon Disclosure Project. This database uses 2018 as a reference period, which was found to be the most recent one available compared to other lists under consideration. In addition the Carbon Majors Database includes scope 3 emissions in their ranking. We have cross-referenced our portfolio against the Carbon Majors Database of the Carbon Disclosure Project^[1]. BNG has no exposure to the top 20 most carbon intensive organizations mentioned.

^[1] Carbon Majors Carbon Majors: 2023 Data Update, table 2. Visited on 26/3/2025 10:37

Template 5 – Banking book – climate change physical risk: exposures subject to physical risk

Template 5 shows the exposure that is subject to acute and/or chronic physical climate risks, aggregated at the NACE sector level. Specifically, it covers pile rot (a chronic event), and flooding and wildfire (acute events). This is measured at the asset-level as opposed to activity-level.

Developments

Changes compared to previous reports:

- Improvements have been made in the collection of location data for healthcare institutions. The locations of owned real estate objects have been identified through cadastral parcels (currently approximately 50.000 locations have been identified whereas previously this was limited to approximately 10.000). This results in a more comprehensive inventory of location data.
- In flood risk damage calculations for real estate objects with a residential function, a distinction is made between single-family homes and apartments. This allows for the selection of flood-depth damage functions that specifically account for the differences between these housing types.
- Compared to previous report these changes led to an increase from 21 to 24 clients in the Healthcare sector being classified as being sensitive to flooding, a decrease from 5 to 4 for wildfire, and from 23 to 16 for pole rot.

Methodology

Depending on the availability of physical asset locations and the relevance of asset types to physical climate risk events, one of three location types is used:

- *Building addresses* – covering 7% of exposure (previously 3%): Applicable to sectors where building addresses are available and make up a significant part of their total physical asset value (currently limited to Healthcare clients due to data availability).
- *Municipal-level building locations* – covering 81% of exposure (previously 85%):Applicable to Housing Associations, for this sector municipal-level building locations are known.
- *Postal code proxy*– covering 11% of exposure (previously 10%)^[1]: In cases where data from the first two methods is unavailable or irrelevant, the statutory postal code serves as a proxy. Please note that the methodology for physical risk measurement is being improved incrementally with the aim to replace this proxy with a more valid indicator.

The method used to determine sensitivity of exposure to physical climate events depends on the location type and the type of physical climate event.

- **Method 1: Flood-damage-to-equity ratio:**
When physical asset locations contain building addresses (and when available), clients' sensitivity to flooding is determined by relating the expected flood damage to buildings to their equity.
- **Method 2: physical climate hazard map threshold value.**

In all other cases, sensitivity is determined by means of a threshold for the physical climate event value (e.g. a flood of ≥ 1 meter). Subsequently, the percentage of asset locations that exceed this threshold is determined. By a minimum of 10 percentage (based on expert judgement) the client is categorized as being sensitive to the event. In the case of a statutory postal code, sensitivity is determined when this single location exceeds the event threshold.

In the table below an overview is provided for these different methodologies and which sources are used.

Methodologies and sources used

Sector	Hazard		Exposure	Vulnerability	Sensitivity
Healthcare	Flood	LWD Maximum flood depth: - Flood typ A: return period 10 and 100 yr. - Flood typ B: return period 100 yr. - Flood typ C: return period 100 yr. - Flood typ D: return period 10 and 100 yr.	Building locations & floor area	Depth-Damage Functions SSM1017	- Flood probability = 1/10 and damage relative to equity >=10% OR - Probability: 1/100; damage relative to equity >=25%
	Wild fire	Climate Impact Atlas (Wildfires - current situation)	Building locations	N/A	>=10% of buildings score 'high'
	Pole rot	Climate Impact Atlas (Risk pole rot - current situation)			>=10% of buildings score => 'moderate'
Housing associations	Flood	LIWO Maximum flood depth	Dwellings at the municipal level	N/A	>=10% of dwellings score >=.1m (mean value in municipal area is used)
	Wild fire	Climate Impact Atlas (Wildfires - current situation)			>=10% of dwellings score 'high' (mean in municipal area is used)
	Pole rot	Climate Impact Atlas (Risk pole rot - current situation)			>=10% of building score => 'moderate' (mean in municipal area is used)
Other	Flood	LIWO Maximum flood depth (general map, return period 1/100)	Statutory postal codes	N/A	Flood depth >=1m
	Wild fire	Climate impact Atlas (Wildfires - current situation)			Wild fire risk = high
	Pole rot	Climate Impact Atlas (Risk pole rot - current situation)			Pole rot risk >= moderate

Please note that 1% of exposure is foreign and excluded due to its limited materiality.

Method 1: flood damage relative to equity

For healthcare organizations and educational institutions sensitivity to flood risk has been measured by estimating the damage to buildings that would occur given certain flood scenarios and by relating this damage amount to their equity reserves. This process can be divided into three steps:

Step		Description
1	Measuring flood hazard and exposure	Flood hazard consists of the flood depths and exposure consists of the amount of assets exposed to that hazard.
1.1	Select flood map/scenario	Flood maps are used that indicate the water depth of hypothetical flood events with different probabilities of occurrence.
1.2	Couple flood map values to physical asset location	These flood depth values are linked to building locations of clients using a Geographic Information System (GIS).
2	Determining corresponding flood damage (vulnerability)	Damage functions capture the vulnerability of assets to the physical risk event.
2.1	Select flood damage function	A flood damage function measures the damage that would occur at a certain flood depth.
2.2	Calculate damage amounts	The flood depths resulting from step 1.2 are used as input for the damage function in combination with the amount of m2 of the buildings.
3	Determine sensitivity	A heatmap is constructed based on the damage amount relative to the equity of a client and the probability of the flood.

Step 1: Measuring flood hazard and exposure

The flood hazard maps have been retrieved from the National Information system for Water and Flooding (LIWO) as they differentiate between flood types. This aligns closely with the flood damage model, which is specifically designed for these flood types (see step 2). There are four types: flooding from national water systems into outer dike areas (type A), flooding from national water systems into inner dike areas (type B), flooding from regional water systems into inner dike areas C, and flooding from regional water systems into outer dike areas (D)¹. The corresponding annual probabilities used are:

- Scenario A: 1/100, and 1/10
- Scenario B: 1/100
- Scenario C: 1//100
- Scenario D: 1/100, and 1/10

By means of a Geographic Information System (GIS) the flood depth values from these scenarios were mapped to physical asset locations.

Step 2: Determining corresponding flood damage

The SSM2017 (standard method Damage and Victims Module) flood damage model, developed by Deltares, has been used. This model is specifically tailored to Dutch building types and offers high granularity. It distinguishes between different types of buildings (e.g. residential apartment, healthcare building), enabling sector-specific estimations (e.g. housing, healthcare), and accounts for various flood types (e.g., inner dike vs. outer dike flooding). This model's damage functions denote the flood damage that would occur (per m2) to an asset (building) that occurs at specific water depths. Damage is estimated by means of a damage factor that captures the relationship between flood depth and damage with respect to a maximum damage amount. These functions are based on historic flood damage data and specific to the flood type (type A, B and C/D as shown in previous paragraph), and building type (the ones used are residential building, commercial building with a healthcare, and commercial building with an educational function).

¹ <https://basisinformatie-overstromingen.nl>

Additionally, only the functions for direct flood function damage have been used (omitting indirect damage due to business disruption). Lastly, the damage functions for buildings with a residential function differentiate between single-family homes and apartments. For apartments, the functions further differentiate based floor level. Since this information is unknown, it is assumed, following the climate stress test methodology of De Nederlandse Bank (DNB) , that 35% of the apartments are on the ground floor level and 65% on the first floor. "Thus, this model estimates flood damage per square meter, which can be used to determine total damage at the level of the real estate object.

The standard formula for the damage calculations is:

$damage\ factor * maximum\ damage\ per\ m2 * total\ surface\ area\ in\ m2$

In order to select the correct damage function, building purpose (BAG gebruiksdoel) and housing type have been retrieved from the BAG register (register for addresses and buildings). Additionally the building size (in m2) at the level of the object of residence (BAG verblijfsobject) was retrieved from this register. When buildings have more than one purpose, a function weighted damage calculation is made (e.g. when a building has a residential function as well as a healthcare function, the average damage amount from these two functions is calculated). Estimated flood damage has been calculated for each flood type (A, B, C and D) and their corresponding periods.

This is shown in the following example: real estate object x has a healthcare function. The flood depth at this location is 2m for flood type B. Thus the damage function for flood type B and damage to a real state object with a healthcare function is selected. From this function can be derived that the related damage factor for this depth is 0.48 and the maximum damage per m2 is EUR 2,854. The surface area of this real estate object is 100m2. The estimated damage to this object then is 0.48 (factor) x 2,854 (maximum damage) x 100 (surface area) = EUR 136,992.

Step 3: Determining sensitivity

Sensitivity to flooding is determined by relating the equity amounts of a client to the flood damage of each flood type in combination with the probability of occurrence of that flood. Sensitivity is determined separately for each flood type because the flood maps have been modelled independently, reflecting different causes and dynamics (however, under certain conditions multiple flood types could occur simultaneously).

The sensitivity classification is illustrated in the following heat-map:

Heatmap

	Low <10% flood damage compared to equity	Medium >=10%, <25% flood damage compared to equity	High >=25% flood damage compared to equity
Certain Flood A: 1/10 yr Flood B: 1/100 yr		Sensitive	Sensitive
Likely Flood A: 1/100 yr Flood B: 1/1.000 yr			Sensitive
Unlikely Flood A: 1/1.000 yr Flood B: 1/10.000 yr			
Rare Flood A: 1/10.000 yr Flood B: 1/100.000 yr			

Method 2: Physical climate hazard map threshold value

This method measures clients' sensitivity to physical climate risk by means of indicators that assess the exposure of asset locations to a threshold value for physical climate events, and subsequently relating this exposure to the percentage of assets that exceed the threshold. This method consists of three steps which are summarized in the table below.

Step		Description
1	Indicator development	Indicators are developed that measure the impact of a climate risk event on an asset location in terms of a threshold value (e.g. location is exposed to a flood of >=1 meter). This is a dummy indicator at the asset/location level with a score of 1 or 0.
2	Measurement	Indicators are measured by coupling scenarios for these physical climate events to asset locations.
2.1	Physical climate events	Physical climate events are measured by means of scenarios retrieved from the Climate Impact Atlas.
2.2	Location data	Location data on physical assets is retrieved from public and internal sources and consists of building addresses, municipal-level dwellings, and statutory postal codes.
3	Determining Sensitivity	Sensitivity of a client to a physical climate event is determined when a minimum of 10% (based on expert judgement) of the physical asset locations score a 1 on the physical climate event threshold dummy indicator (e.g. >=10 of client asset locations (or single postal code) are exposed to a flood of >=1 meter).

Step 1: Indicator development

- Indicators are formulated based on the in the RMA identified material physical climate events. The following indicators are used to measure the risks at counterparty level:
- Pole rot: Asset/postal code location in a geographic area that currently has a moderate to very high exposure to pole rot.
 - Wildfire: Asset/postal code location within an geographic area with currently a high likelihood of wildfires.
 - Flooding: Asset/postal code location in geographic areas with a potential flood depth of 1 meter or higher in the current medium likelihood scenario.

Please note that where no asset location is available the statutory postal code is used.

Step 2: Measurement

A physical risk indicator principally consist of two components that need to be measured: (1) climate risk events, and (2) locations. By connecting these components, the degree to which a location is exposed to physical climate risk events can be estimated. Connecting these data components was done by means of a Geographic Information System (GIS) as both components consist of geographically referenced information.

Physical climate risk events

The climate scenarios are retrieved from the Climate Impact Atlas (KEA). These scenarios have a regional scale and reflect the best publicly available data. The geographic area of these scenarios is The Netherlands. We consider this a suitable area as almost all of BNG's clients are based in The Netherlands. The following scenarios were used:

Risk of pole rot (current situation):
Scenario for the risk of pole rot at the neighbourhood level estimated by combining the percentage of buildings in a neighbourhood on wooden pile foundations and the vulnerability of these wooden pile foundations to damage. The latter is measured by e.g. the mean lowest groundwater level, type of subsoil and year of construction.

Wildfires (current situation):
The probability of wildfires developing in an area is based on e.g. flammable vegetation, precipitation deficit, average lowest groundwater level and soil type.

Flood depth (medium probability):
Provides the estimated maximum flood depth in an area with a probability of flooding once every 100 years. By coupling these scenarios to the asset locations of counterparties, their exposure to chronic and acute physical climate risk events is estimated. As can be derived

from the scenario names, the selected time horizon is 'current'. The method for longer-term horizons is under development.

Locations

As outlined in the first paragraph in the 'Methodology' chapter, three types of locations are used: building addresses for healthcare, municipal-level building locations for housing associations, and statutory postal code as a proxy when physical asset location data is unavailable. Please note that for housing associations the mean physical climate risk event value in the municipal area is used, whilst precise point coordinates are used for the other location types.

Step 3: Determining sensitivity

A client is classified as sensitive to a physical climate risk event when a minimum of 10 percent of their physical asset locations are exposed to the event-related threshold value. For flooding this is a value of '1 meter or higher' in a medium likelihood scenario (annual exceedance probability of 1/100), for pole rot when the value is 'moderate' to 'very high', and for wildfire when the value is 'high' (see subchapter 'indicator development'). As statutory postal codes consists of only one location exposure of this location to the physical climate event threshold value leads to a classification of 'sensitive'.

Method and sourcing overview

In the below table an overview is given of the gross carrying amount of which exposures sensitive to impact from climate change physical events.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
31-12-2024	Gross carrying amount/nominal amount (in million EUR)													
	of which exposures sensitive to impact from climate change physical events													
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years								Of which Stage 2 exposures	Of which non-performing exposures	
Total														
1	A - Agriculture, forestry and fishing	0	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	9	-	-	-	-	-	-	-	-	-	-	-	-
4	D - Electricity, gas, steam and air conditioning supply	1,335	-	-	1	-	15	-	1	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
5	E - Water supply; sewerage, waste management and remediation activities	1,563	6	101	131	-	11	-	238	-	-	-	-0	-	-
6	F - Construction	826	1	-	-	-	4	-	1	-	-	-	-0	-	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	65	-	-	-	-	-	-	-	-	-	-	-	-	-
8	H - Transportation and storage	822	-	-	3	3	-	5	-	-	-	-	-0	-	-
9	L - Real estate activities	51,997	1,496	2,217	2,650	5,902	22	147	12,117	-	-	-	-0	-	-
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
12	Reposessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	6,657	160	158	298	276	16	338	538	15	11	51	-4	-	-4

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
31-12-2023	Gross carrying amount/nominal amount (in million EUR)													
	of which exposures sensitive to impact from climate change physical events													
	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Of which Stage 2 exposures							Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures
Total														
1	A - Agriculture, forestry and fishing	0	-	-	-	-	-	-	-	-	-	-	-	-
2	B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-
3	C - Manufacturing	9	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
4	D – Electricity, gas, steam and air conditioning supply	785	2	8	0	-	8	-	11	-	-	-	-5	-1	-4
5	E – Water supply; sewerage, waste management and remediation activities	640	4	19	1	-	8	13	12	-	-	-	0	0	-
6	F – Construction	2,414	162	126	33	85	9	374	386	354	-	7	0	-	-
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	63	-	-	-	-	-	-	-	-	-	-	0	-	-
8	H – Transportation and storage	774	5	13	12	3	13	6	28	-	-	-	0	-	-
9	L – Real estate activities	45,961	4,843	7,028	8,357	15,044	16	15,581	35,178	15,487	-	-	-3	-	-3
10	Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
11	Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Reposessed collaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	4,824	144	199	237	366	0	377	864	360	88	56	-39	-8	-29

The exposures reported in this template include loans and advances, debt securities and equity instruments in the banking book of BNG toward non-financial corporates in the Netherlands that are exposed to potential chronic and / or acute physical climate-related risks. BNG does not have any significant exposures in other geographical areas.

Template 6 – Summary of GAR KPIs

		a	b	c	d
31-12-2024		KPI			
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
1	GAR stock	0.24%	–	0.24%	10%
2	GAR flow	0.49%	–	0.49%	15%
• % of assets covered by the KPI over banks' total assets					

		a	b		c	d
31-12-2023		KPI				
		Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)		% coverage (over total assets)*
1	GAR stock	0.26%	–	0.26%		12%
2	GAR flow	–	–	–		–
• % of assets covered by the KPI over banks' total assets						

Template 7 – Mitigating actions: Assets for the calculation of GAR

The Green Asset Ratio (GAR) is based on eligible and aligned assets on the balance sheet.

The criteria of qualifying assets is stated in EU Taxonomy. The amount of covered assets under GAR is relatively low for BNG due to the following reasons:

- Financial corporations mainly consist of collateralized loans which are not eligible or aligned;
- Exposure to Households is reclassified to 'non-financial corporates'. This because items under households mainly consists of exposures to local foundations such as sport clubs, cultural institutions and other social initiatives. It is not expected that these transactions will be Taxonomy eligible or aligned.
- Because the use of proceeds is unknown, exposures to local governments (Gemeenten) are stated under 'Sovereigns' and excluded from both the numerator and denominator of the GAR. This in line with the draft commission notice of 23 December 2023. Although this notice refers to the Annual Report, for consistency reasons, we have also applied this notice to this template.

31-12-2024		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
(in million EUR)		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
			Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which transitional/ adaptation	Of which enabling			
GAR – Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	12,687	3,151	194	-	-	-	-	-	-	-	-	3,151	194	-	-	-
2	Financial corporations	12,687	3,052	194	-	-	-	-	-	-	-	-	3,052	194	-	-	-
3	Credit institutions	6,969	3,052	194	-	-	-	-	-	-	-	-	3,052	194	-	-	-
4	Loans and advances	3,914	579	19	-	-	-	-	-	-	-	-	579	19	-	-	-
5	Debt securities, including UoP	3,055	2,472	175	-	-	-	-	-	-	-	-	2,472	175	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
7	Other financial corporations	5,718	100	0	-	-	-	-	-	-	-	-	100	0	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
24	Households	-	-	-	-	-	-						-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-						-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-						-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-								-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31-12-2024

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	12,687	3,151	194	-	-	-	-	-	-	-	3,151	194	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	66,206														
34	Loans and advances	65,257														
35	Debt securities	949														
36	Equity instruments	0														
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	880														
38	Loans and advances	52														
39	Debt securities	828														
40	Equity instruments	-														
41	Derivatives	3,979														
42	On demand interbank loans	2														
43	Cash and cash-related assets	0														
44	Other assets (e.g. Goodwill, commodities etc.)	(2,783)														
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	80,971														
Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	40,345														
47	Central banks exposure	6,625														
48	Trading book	-														
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	46,970														
50	TOTAL ASSETS	127,941														

31-12-2023		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
(in million EUR)		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)						
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling		
GAR – Covered assets in both numerator and denominator																		
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	14,365	5,871	195	-	-	-	-	-	-	-	-	-	5,871	195	-	-	-
2	Financial corporations	14,365	5,871	195	-	-	-	-	-	-	-	-	-	5,871	195	-	-	-
3	Credit institutions	8,183	5,871	195	-	-	-	-	-	-	-	-	-	5,871	195	-	-	-
4	Loans and advances	4,868	4,252	116	-	-	-	-	-	-	-	-	-	4,252	116	-	-	-
5	Debt securities, including UoP	3,314	1,619	79	-	-	-	-	-	-	-	-	-	1,619	79	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-	-		-	-
7	Other financial corporations	6,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-	-		-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-	-		-	-
24	Households	-	-	-	-	-	-							-	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-							-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-							-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-									-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31-12-2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	14,365	5,871	195	-	-	-	-	-	-	-	5,871	195	-	-	-
Assets excluded from the numerator for GAR calculation (covered in the denominator)																
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	60,501														
34	Loans and advances	60,300														
35	Debt securities	201														
36	Equity instruments	-														
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	1,012														
38	Loans and advances	53														
39	Debt securities	959														
40	Equity instruments	-														
41	Derivatives	3,011														
42	On demand interbank loans	2														
43	Cash and cash-related assets	0														
44	Other assets (e.g. Goodwill, commodities etc.)	(4,923)														
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	73,969														
Other assets excluded from both the numerator and denominator for GAR calculation																
46	Sovereigns	40,044														
47	Central banks exposure	1,617														
48	Trading book	-														
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	41,662														
50	TOTAL ASSETS	115,631														

Template 8 – GAR (%)

31-12-2024		KPIs on stock															KPIs on flows																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors				Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of total assets covered																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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% (compared to total covered assets in the denominator)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

31-12-2023	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af																
	KPIs on stock																KPIs on flows																															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)																					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total assets covered																
	Of which environmentally sustainable				Of which specialised lending	Of which environmentally sustainable				Of which specialised lending	Of which environmentally sustainable			Of which environmentally sustainable				Of which environmentally sustainable				Of which environmentally sustainable																										
	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending		Of which transitional	Of which enabling	Of which specialised lending	Of which transitional		Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling																									
% (compared to total covered assets in the denominator)																																																
1	GAR – Covered assets in both numerator and denominator																8%	0.26%	0%	0%	0%	-	-	-	-	-	8%	0.26%	0	0	0	12%	-	-	-	-	-	-	-	-	-	-	-	-				
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation																41%	1.36%	0%	0%	0%	-	-	-	-	-	41%	1.36%	0	0	0	12%	-	-	-	-	-	-	-	-	-	-	-	-				
3	Financial corporations																41%	2.38%	0%	0%	0%	-	-	-	-	-	41%	2.38%	0	0	0	12%	-	-	-	-	-	-	-	-	-	-	-	-	-			
4	Credit institutions																72%	2.38%	0%	0%	0%	-	-	-	-	-	72%	2.38%	0	0	0	7%	-	-	-	-	-	-	-	-	-	-	-	-	-			
5	Other financial corporations																0%	-	-	-	-	-	-	-	-	-	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	of which investment firms																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	of which management companies																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	of which insurance undertakings																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Non-financial corporations (subject to NFRD disclosure obligations)																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Households																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	of which loans collateralised by residential immovable property																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which building renovation loans																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which motor vehicle loans																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Local government financing																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Housing financing																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other local governments financing																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties																-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template 10 – Other climate change mitigating actions

The portfolio of BNG does not contain financial instruments that serve to mitigate climate risk (transition risk or physical risk) that are not covered by the EU Taxonomy Regulation. Therefore, this template is not applicable to BNG.

ANNEX 1 – templates not applicable to BNG

The following templates have been identified as not applicable to BNG and are therefore not included in this report :

- **EU LIB:** all branches are consolidated. Therefore other qualitative information is not applicable.
- **EU INS1 and EU INS2:** BNG does not have investments in insurance subsidiaries.
- **EU PV1:** Due to thresholds defined in Article 4(1) of Delegated Regulation (EU) 2016/101.
- **EU CQ2, EU CQ4 (columns b & d), EU CQ5 (columns b & d), EU CQ6, EU CQ8 and EU CR2a:** BNG does not exceed the applied threshold ratio of 5% between the gross carrying amount of loans and advances that fall under Article 47a(3) of the CRR and the total gross carrying amount of loans and advances that fall under Article 47a(1) of the CRR.
- **EU CRE; EU CR6, EU CR6-A, EU CR7, EU CR7-A, EU CR8, EU CR9, EU CR9.1 and EU CR10:** BNG does not apply the internal rating-based (IRB) approach.
- **EU CCR4, EU CCR6 and EU CCR7:** BNG does not apply the IRB approach or the internal model method (IMM) for CCR and does not have credit derivative exposure.
- **EU SEC2:** BNG does not have a trading book.
- **EU SEC3 and EU SEC5:** BNG has not acted as an originator or sponsor in transactions with securitization exposures.
- **EU MRB; EU MR2-A, EU MR2-B, EU MR3 and EU MR4:** BNG does not apply the Internal Model Approach (IMA) for market risk.
- **EU REM3 and REM4:** BNG does not have deferred remuneration or high earners with remuneration of EUR 1 million or above.
- **ESG2:** BNG's mortgage portfolio (Hypotheekfonds voor Overheidspersoneel portfolio) was sold in 2022 and has been liquidated in 2023. As a result, BNG does not have such specific portfolios containing immovable properties.
- **ESG4:** BNG uses a list of top 20 carbon-intensive firms compiled by third party and does not have corresponding exposures.
- **ESG10:** BNG does not hold bonds and loans provided they are related to climate-change mitigating actions defined by other standards than the EU ones. The definitions used are in line with the EU Taxonomy Regulation.
- **EU KM2, EU TLAC1, EU ILAC, EU TLAC2 en EU TLAC3.** BNG is no resolution entity but a liquidation entity under BRRD. Also BNG is no G-SII or part of an (non-EU) G-SII. The recent amendments are therefore not applicable for BNG.

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