

Road to impact

BNG Bank's strategy
for the period

2024-2026



Driven by social impact





Foreword

Dear reader,

Like everyone else, you probably think about the challenges we face as a society from time to time – by which I mean the need to reduce CO₂ emissions and phase out the use of fossil fuels in particular. They require a joint effort from all of us and call for decisiveness from the Dutch government and the public sector. The ultimate goal is to make the Netherlands cleaner, greener and more future-proof. As the biggest lender to the public sector, BNG Bank plays a key role in addressing these challenges. This is the subject of this *'Our Road to Impact'*. On the pages that follow, BNG Bank explains how it wants to contribute to improving the quality of life in the Netherlands and sets out the strategy it has adopted to do so.

Gita Salden

CEO, BNG Bank



“Making an impact means that BNG Bank wants to influence the quality of life in the Netherlands in a meaningful way.”

1. Introduction

New opportunities and challenges

The world around us is changing rapidly, presenting new opportunities as well as new challenges. As a bank, we must move along with these changes in order to be able to carry out our serving task in the public domain optimally and to maintain our leading position. That is why it is important to review or recalibrate our way of working and strategy from time to time.

Making an impact

In recalibrating our strategy, our goal remained the same: we want to make an impact in society. What do we mean by ‘making an impact’? The words ‘making’ and ‘impact’ refer to the world in which we live and work. Living and working is made possible in part to our loans and advances, and to the efforts of our public-sector clients and partners, which include municipalities, housing associations, healthcare institutions and educational institutions. ‘Making an impact’ means that BNG Bank wants to influence the quality of life in the Netherlands in a meaningful way.

Loans and advances

It is important for clients, investors and stakeholders that BNG Bank is always ready to respond and carries out its tasks properly. At its core, our work consists of providing loans and advances on favourable terms and facilitating smooth payment transactions for our clients. Because BNG Bank is valued at the highest rating level and is perceived as a bank that is extremely financially sound, we are able to attract funds on the international capital markets at favourable lending rates. We pass these benefits on to our clients.



Market leader in the public sector

BNG Bank is the biggest lender to the public sector*, and the market leader. That is something we are proud of. This position is the result of hard work and of being reliable and predictable. Our clients can always count on us. This will also be our ambition in the coming planning period.

Responding to new developments

The fact that BNG Bank is the market leader does not mean that we are resting on our laurels. In order to maintain this position, it is essential that BNG Bank responds to new developments. It is also important to incorporate innovations in digitisation and artificial intelligence into our services. Where possible, we want to move along with these changes, and we want to innovate and improve our organisation and way of working where necessary.

* By 'public domain' or 'public sector' we mean the Dutch government, provinces, municipalities, water boards and organisations that perform public duties, such as housing associations, healthcare institutions and educational institutions. Organisations that have half or more of their share capital supplied by the government and/or activities that are fully guaranteed by the government also come under the definition of the public domain.

2. How BNG sees the future

All about making society more sustainable

At BNG Bank, we expect the coming period to be dominated by improving the sustainability of our society. This is an important task for the public sector, particularly in relation to the energy transition and CO₂ reduction in connection with other themes aimed at making the Netherlands cleaner, greener and more future-proof.

Expanded range of duties

In the years ahead, society will expect the public sector to be at the forefront of efforts to make our country more sustainable. The sector will also continue to play a leading role in traditional public duties such as healthcare, education, housing and social services. All of this will mean a substantial expansion of the range of duties of our public-sector partners.

Responsibility

In these circumstances, the public sector will continue to have a strong need for a robust, reliable and socially engaged financial partner such as BNG Bank. We accept our responsibility and the sector can continue to count on us.

Building bridges

Even more than in the past, BNG Bank wants to bridge the gap between the capital market and the public sector. We are the market leader in the public domain and we want to remain so. As ever, clients can count on us for accessible loans and advances at competitive lending rates and on favourable terms. In the years ahead, this will remain an important task which we will do our utmost to carry out. Even more so, we intend to take things a step further.

Linking pin between the capital market and our clients

A key element of our vision for the future is the expectation that the way in which clients arrange financing will change. Instantly obtaining and comparing lending rates from a large number of credit providers will become the new norm. Parties from outside the traditional financial sector will manifest themselves as lenders as well. It will also become easier for clients to borrow money directly from the capital market. This is where the opportunities and threats lie for traditional banks and certain groups of clients, who must continue to comply with strict regulations.

Easier

To perform our bridging role between the capital market and the public sector optimally, BNG Bank wants to simplify the way clients bank with us. We want to make it easier for our partners in the public sector to retrieve information from BNG Bank about loans and advances, compare lending rates and obtain financing at the lowest cost – *even if this is not financing provided by BNG Bank*. We aim to be the literal linking pin between the capital market and our clients in the public sector.

New technologies

The high pace at which new technologies are conquering society demands speed and agility on the part of BNG Bank. We must move along with this development. The degree of success of BNG Bank's digital transformation will depend on the extent to which our bank adopts and integrates new technologies. It is important that BNG Bank prepares itself for these changes in order to respond to the expectations of our clients, investors and stakeholders in a timely manner.

3. What our stakeholders, clients and investors say

In order to lay a solid foundation for recalibrating our strategy, we engaged in discussions with stakeholders, clients and investors. They had this to say about BNG Bank.

Stakeholders


Stakeholders see BNG Bank as a professional, reliable and well-managed bank that makes a significant contribution to the public sector through its financing. They rate BNG Bank's employees as customer-friendly, engaged and knowledgeable. Thanks to the available knowledge about financing and the sector, it is easy for stakeholders to do business with BNG Bank. Stakeholders also say that BNG Bank's focus should remain on ensuring the accessibility and affordability of financing.

Clients

Clients say that BNG Bank is indispensable. Our bank offers clients the opportunity to borrow on very favourable terms and ensures stability and continuity when it comes to financing their activities. This allows our clients to focus on their core public duties and important social objectives. Clients advise BNG Bank to continue on the path it has taken and to continue to do what the bank is good at. They want us to remain the reliable, knowledgeable and committed financier in and for the public sector. Clients of BNG Bank consider it important that the bank digitises its services and improves its own processes further. This also applies to the processes that make it easier to use BNG Bank's services.

Investors

BNG Bank is a safe and attractive party to invest in, investors say. This is due to the creditworthiness of BNG Bank, which is reflected in the bank's Triple-A status. In addition, investors value the liquidity of BNG Bank's Environmental, Social and Governance (ESG) bonds. In addition to return and risk, ESG criteria are increasingly decisive for investors' investment choices.



*“Clients say
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4. Where BNG Bank wants to be in 2026

Starting points

Our ambition is based on our vision for the future and on the expectations of our stakeholders, clients and investors. BNG Bank's ambition is an indication of where BNG Bank wants to be in 2026 and underpins the bank's strategic objectives for the next three years.

Ambition BNG Bank 2024-2026:

We aim to be the main lender in the public sector in order to make the Netherlands more social and sustainable.



5. BNG Bank's objectives for the period 2024–2026



OBJECTIVE 1

BNG Bank offers clients loans and advances at the most competitive lending rates, enabled by our low organisational and financing costs.

We help our clients carry out their social tasks by offering our loans and advances at competitive lending rates. We are able to offer these competitive lending rates by structurally ensuring low financing costs, by actively managing our organisational costs and by generating additional income from our treasury activities. In addition to lending, we will continue to offer payment transactions as a service, in accordance with the wishes of our clients.



OBJECTIVE 2

BNG Bank offers digital services in combination with personal contact when necessary.

In addition to competitive lending rates, clients also require professional, client-friendly and reliable services. In this regard, BNG Bank operates on the basis of digital services with personal contact when necessary. We give high priority to digitising our processes and client contacts. This is necessary to improve the accessibility of our client processes and to tailor these processes optimally to the needs of our clients.





OBJECTIVE 3

BNG Bank is demonstrably sustainable.

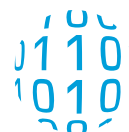
BNG Bank deliberately offers its services to clients in the public sector. Together with these clients, and with our loans, advances and knowledge, we want to exert a positive influence on making the Netherlands more social and sustainable. We are transparent about our social performance as well as our sustainability performance.



OBJECTIVE 4

BNG Bank has efficient processes in place and focuses on improving these processes continuously.

BNG Bank is working constantly to make its own business processes more efficient and manageable. This is in the interest of our clients, of the impact we want to make and of the satisfaction of our employees.



OBJECTIVE 5

BNG Bank's data are of high quality and are easily accessible.

High-quality data are important in order to be able to work in a data-driven way. Good-quality data enable BNG Bank to respond in a well-founded manner to changes in the market and in the circumstances of clients. They also make it easier to achieve the strategic objectives and desired results. High-quality and easily accessible data are also necessary for efficient and manageable processes.



OBJECTIVE 6

BNG Bank has a modern and secure IT infrastructure.

A modern and secure IT infrastructure supports our organisation in achieving our strategic objectives. Society is becoming more digital. Clients demand digitised services. BNG Bank's online visibility is growing. In addition, our employees need good digital workplace facilities. Fast and flexible IT is key to this. Additionally, security is an important precondition for ensuring the protection of clients, stakeholders, investors and employees.



OBJECTIVE 7

We are a bank with a heart, focused on personal growth and cooperation.

Our employees are crucial to achieving our ambition. We aim to attract and develop the right knowledge and competences to achieve our objectives. We are accountable for our behaviour and results and put cooperation first.

