



Sustainability Bond for Dutch Municipalities



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No securities of the Company have been or will be registered under the US Securities Act of 1933, as amended (the “Securities Act”). Accordingly, any securities of the Company will only be issued in the United States pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.

This presentation contains “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995) regarding the intent, belief or current expectations of the Company’s management with respect to its financial condition and future results of operations. You can identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect the Company’s current views with respect to future events and by their nature are subject to risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the actual results of the Company may vary materially from those expressed in or implied by the forward-looking statements contained or deemed to be contained herein. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation. For a discussion of some of the important factors that could cause the Company’s results to differ from those expressed in or implied by the forward-looking statements contained herein, please refer to the Offering Document that will be delivered in connection with any securities offering. The Company disclaims any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this presentation.

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Key Facts

- BNG Bank is a committed partner for a more sustainable society, enabling the Dutch public sector to achieve socially relevant objectives
- Founded by (local) government in 1914
- Dutch Government owned
 - Dutch State 50% (since 1921)
 - Dutch local governments 50%
 - Ownership restricted to Dutch public authorities
 - Registered shares only (not listed)
- BNG Bank's ratings: Aaa (stable) / AAA (stable) / AAA (stable)
- Lending restricted to local authorities and public sector institutions in the Netherlands and the E.U. (art. 2.3 Articles of Association)
- BNG Bonds are High Quality Liquid Assets (HQLA), eligible for the Liquidity Coverage Ratio (LCR)
- The Dutch Central Bank confirmed the status of BNG Bank as a promotional lender in 2014, and designated BNG Bank as a bank of national systemic importance (2015)



Dutch Public Sector

Municipalities

- credit quality: similar to the State of the Netherlands
- Municipal Act / Financial Relationship Act
- 0% BIS risk-weighted by Dutch Central Bank

Housing Associations

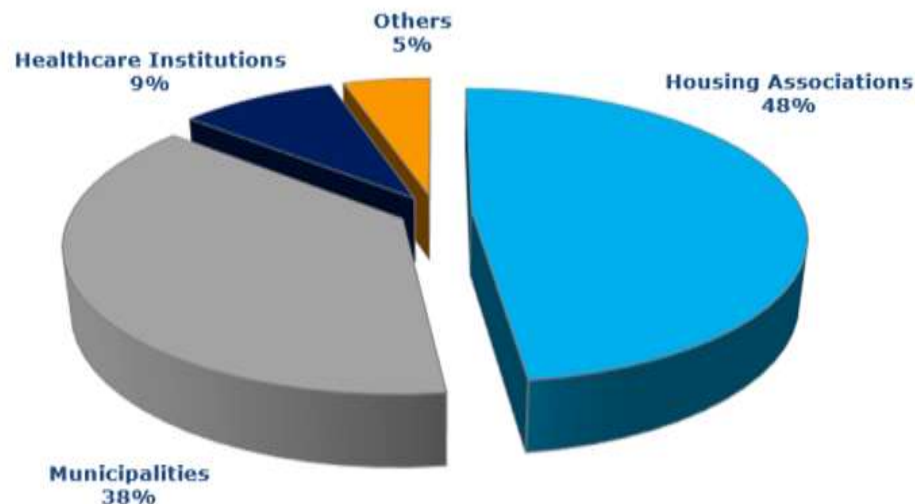
- social housing: subsidizing rent
- `Housing Act 2015`
- guarantee fund "WSW": rated Aaa (stable) /AAA (stable)
- back stop by the State of the Netherlands:
irrevocable/irreversible/unlimited
- 0% BIS risk-weighted by Dutch Central Bank

Healthcare institutions

- hospitals, elderly homes
- guarantee fund "WFZ": rated AAA (stable) by S&P
- back stop by the State of the Netherlands:
irrevocable/irreversible/unlimited
- 0% BIS risk-weighted by Dutch Central Bank

Others

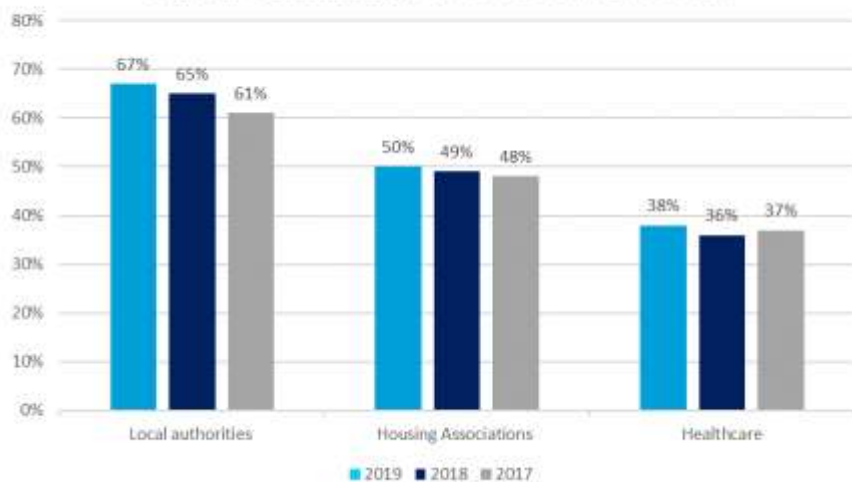
- public utilities, network companies, waste management
- education sector (universities/colleges),
- infrastructure and renewable energy projects



BNG Bank's Long Term Assets
Eur 85.4bn
 (June 2020)

Market Share and Financial Data

BNG Bank's Market Share
of (*total outstanding*) loans to Dutch public sector



2019 **New long-term lending € 14.0 billion** € +2.4 billion

-  Local authorities € **5.4** billion
-  Housing associations € **5.7** billion
-  Healthcare institutions € **1.2** billion
-  Educational institutions € **89** million
-  Energy and infrastructure € **1.6** billion

4th 
**bank of the
Netherlands**

	2020 1 st Half	2019	2018	2017
Total Assets (€ bn)	167.0	149.7	137.5	140.0
Leverage Ratio	3.2%	3.6%	3.8%	3.5%
TIER 1 Ratio	37.0%	38.2%	38.2%	36.6%
Profit (€ mn) <i>before tax</i>	148	227	459	536
Net Profit (€ mn) <i>after tax</i>	100	163	337	393
Net Interest Margin	0.27%	0.29%	0.32%	0.31%
Cost to Income Ratio	19.3%	16.0%	13.2%	11.3%
Return on Equity	4.5%	3.6%	8.5%	10.8%
Dividend Pay Out Ratio *	n.a.	50.0%	50.0%	37.5%

* Recommendation by ECB to postpone till 2021

Long Term Funding Strategy

Long term market funding requirement

- 2020 (f): EUR 15-16 bn

Strategic funding

- maintenance of a benchmark yield curve in EUR and USD
- regular issuance of liquid transactions (size >1bn)

Sustainability Bonds

- Dutch Municipalities
- Dutch Social Housing Associations
- Renewable Energy

Public deals

- Regular presence in public markets
- AUD, CAD, GBP, NOK, NZD and SEK

Private placements

- MTN format and Loan format
- Plain vanilla
- Callable structures



Long Term Funding 2020

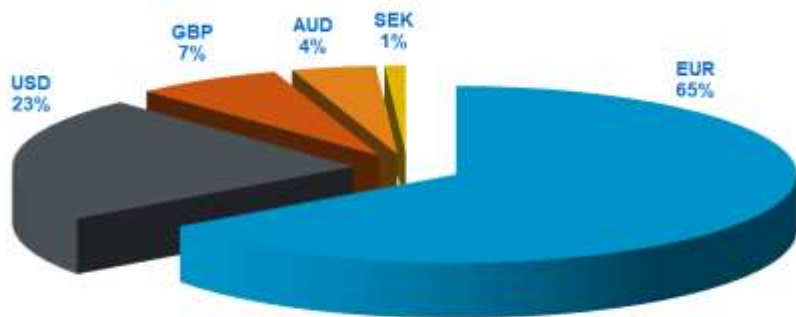
(as per November 12, 2020)

€ 14.2 bn
Total Issuance

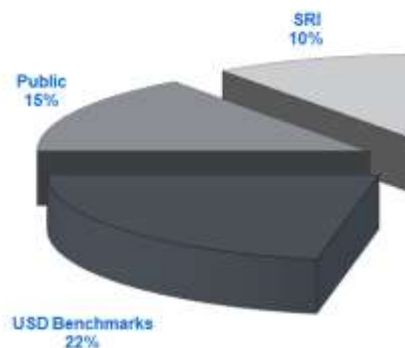
9.2 years
Weighted Average Maturity

83
Transactions

5
Currencies



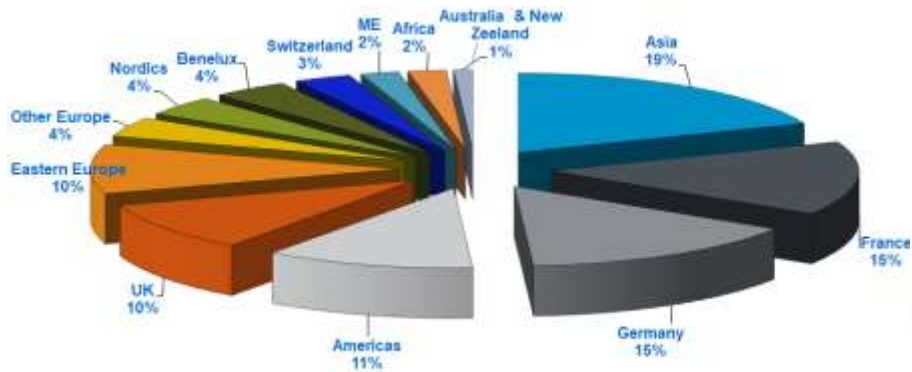
Distribution by currency



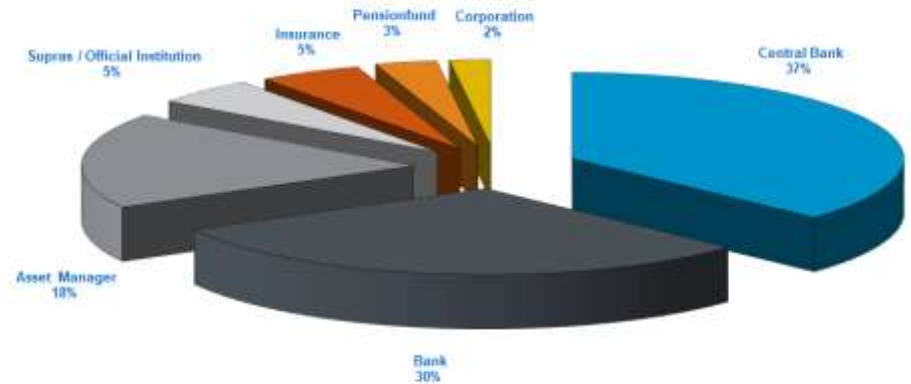
Distribution by issue type

Long Term Funding 2020

(as per November 12, 2020)



Distribution by geography



Distribution by investor type

Sustainability

- Sustainability is an integral part of BNG Bank’s strategy
- BNG Bank awarded a C+ ‘Prime’ sustainability rating by ISS Oekom research AG (2019)
- The BNG Sustainability Bonds criteria are defined in the ‘Framework for Best-in-Class Municipality Investment’ and in the ‘Framework for Dutch Social Housing Associations’
- Based on the methodology developed by an independent party: Sustainability Centre of Tilburg University (TSC-Telos)
- Sustainalytics has provided a second party opinion for both frameworks
- The proceeds of the sustainability bonds are earmarked and allocated to lending to sustainable municipalities and sustainable social housing associations.
- The data used for the annual impact reporting by TSC-Telos comes from official public sources
- BNG Bank’s Sustainability Bonds are listed on the Luxembourg Green Exchange



2016	2017	2018	2019	2020
<p>0.050% €1,000,000,000</p> <p>Sustainability bond linked to Dutch Social Housing Associations July 2024</p>	<p>0.200% €750,000,000</p> <p>Sustainability bond linked to Dutch Municipalities November 2024</p>	<p>3.125% \$500,000,000</p> <p>Sustainability bond linked to Dutch Social Housing Associations November 2021</p>	<p>3.300% A\$36,000,000</p> <p>Private Placement linked to Renewable Energy Projects July 2028</p>	<p>2.950% A\$40,000,000</p> <p>Private Placement linked to Renewable Energy Projects July 2029</p>
	<p>2.125% \$750,000,000</p> <p>Sustainability Bond linked to Dutch Social Housing Associations December 2020</p>	<p>0.500% €750,000,000</p> <p>Sustainability Bond linked to Dutch Municipalities November 2025</p>		<p>1.500% \$1,000,000,000</p> <p>Sustainability bond linked to Dutch Social Housing Associations October 2024</p>
			<p>1.900% A\$400,000,000</p> <p>Sustainability Bond linked to Dutch Municipalities November 2025</p>	<p>0.050% €750,000,000</p> <p>Sustainability Bond linked to Dutch Municipalities November 2029</p>
				<p>0.25% SEK1,500,000,000</p> <p>Sustainability bond linked to Dutch Social Housing Associations April 2022</p>
				<p>0.01% €1,000,000,000</p> <p>Sustainability bond linked to Dutch Social Housing Associations October 2032</p>

BNG Bank Sustainability – Independent Partners

- BNG Bank worked in close cooperation with TSC-Telos*, Sustainability Centre of Tilburg University, to develop a framework for a sustainable bonds targeting qualifying municipalities in the Netherlands
- Selection and evaluation criteria for qualifying sustainable municipalities are defined in the BNG Bank 'Framework Document for Dutch Municipalities (2020)'
- The proceeds of the Sustainability Bond will be tracked by the issuer and allocated to BNG Bank's lending and investment operations to Dutch municipalities. This process will be audited
- Sustainalytics** has provided a second opinion for the framework and independently confirmed in their opinion that it follows the ICMA Sustainability Bond Guidelines
- ICMA Sustainability Bond Definition
Sustainability Bonds are bonds where the proceeds will be exclusively applied to finance or re-finance a combination of both Green and Social Projects and are aligned with the four core components of both the GBP and the SBP with the former being especially relevant to underlying Green Projects and the latter to underlying Social Projects



*TSC-Telos specializes in operationalizing sustainable development in regional and urban initiatives. TSC-Telos Research areas are Climate Action & Resource Efficiency, Corporate Social Responsibility, Social Innovation and Governance. Sustainalytics provided an external opinion on the framework.

**Sustainalytics B.V. (Sustainalytics), a provider of environmental, social and governance (ESG) research and analysis, evaluated BNG Bank's Sustainability Bond transaction set forth in this Prospectus and the alignment thereof with industry best practice, provided views on the robustness and credibility of the Sustainability Bond within the meaning of the alignment with industry best practice.

BNG Bank Sustainability Bond Compliance with ICMA Sustainability Bond Guidelines

Use of proceeds



Best in class sustainable municipalities in the Netherlands, as defined in the 'Sustainability Framework for Best in Class Municipality Investment 2020'



Process for project evaluation and selection



The selection is done by an independent party: Tilburg Sustainability Center of Tilburg University (TSC-Telos). The criteria are based on the UN Sustainable Development Goals (2016). Additionally, Sustainalytics provided an independent second opinion on the framework

Sustainability Bond Guidelines
June 2018

Management of proceeds



The proceeds of the bond will be tracked by the issuer and allocated to BNG Bank's lending and investment operations to municipalities. This will be audited and reported on. This sustainability bond will (re)finance loans to eligible municipalities. Unallocated proceeds are managed according to BNG Bank's liquidity policy, aligned with market practice.

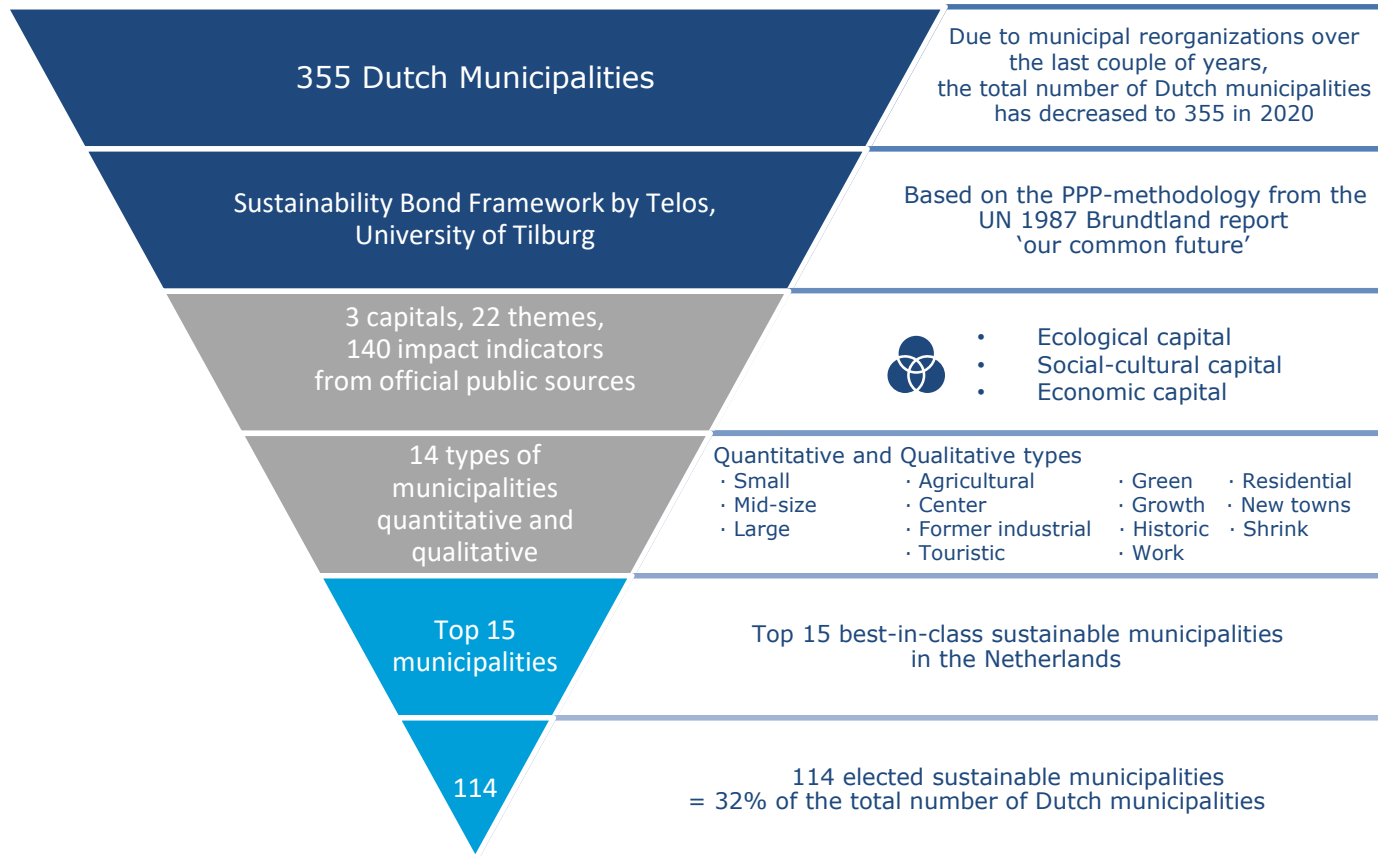
Reporting



The data used for the annual impact reporting by TSC-Telos comes from official Dutch public data sources

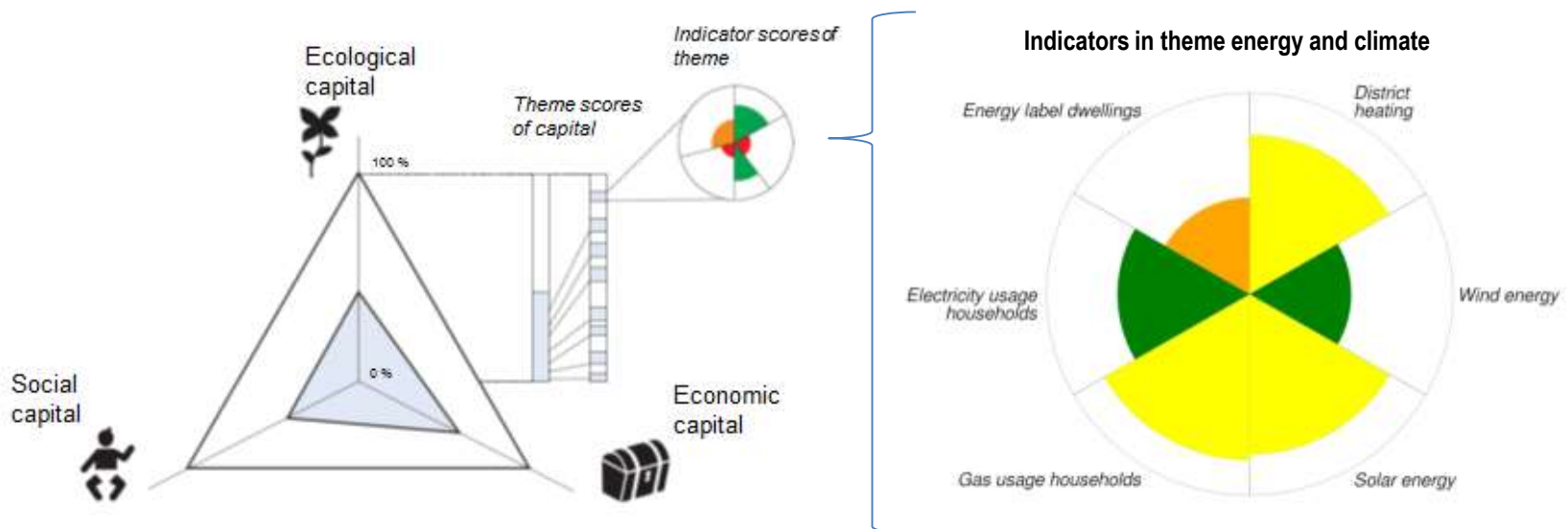


Process for evaluation and selection (1)



Process for evaluation and selection (2)

- The overall sustainability score of a Dutch municipality is calculated as the average score of the three sustainability capital scores
- Each sustainability capital score is calculated as the average score of the theme scores
- Each theme score is calculated as the average score of the indicators scores
- The higher the achievement of a Dutch municipality, the larger the pie piece (0-100%)
- Example 'Energy and Climate theme':



Sustainability Bond – Methodology

Ecological Capital

Themes	Indicators
Soil	Contaminated sites with health risks, spreading risks, ecological risks, soil sealing, nitrogen deposition
Air	Emission of: CO2, nitrogen (NOx), particulate matter (PM2.5), volatile organic substances (NMVOS), Concentration of: nitrogen-dioxide (NO2), of ozone (O3), particulate matter (PM2.5)
Annoyance and Emergencies	Annoyance by odors, by noise, noise intensity, light intensity, risk contour, floods, flooding, earthquakes, urban heat islands
Water	Water quality: fish population, macro-fauna, flora, physical-chemical, other substances, priority substances, nitrogen emissions to surface water, phosphorous emissions to surface water
Nature and Landscape	Public green, distance to recreational water, share of forest and natural area, biodiversity, red list species
Energy	Wind energy, solar energy, natural gas use households, electricity use households, energy label houses, natural gas use companies, energy use companies
Resources and Waste	Total household waste, household general waste, organic waste, paper and cardboard waste, packaging glass, plastics

Social-Cultural Capital

Themes	Indicators
Social Participation	Social cohesion, social contacts, loneliness, general trust, volunteers, informal care giving, being active in society
Economic Participation	Financial assets household, Long-term unemployment, Social welfare benefits, Poor households
Arts and Culture	Performing Arts & Cinema's, distance to museum, national monuments, municipal monuments, protected sights, cultural employment
Health	Insufficient movement, Risky behavior, Distance to general practitioner, medicine use, Distance to hospital, Life expectancy, Assessment of own health, Chronic illness, Confused people
Safety	Violent crimes, Property crimes, Vandalism, youth crimes, road safety, child abuse, feelings of insecurity
Residential Environment	Satisfaction with dwelling, satisfaction with living environment, satisfaction with local shops and services, distance to daily services, migration, new houses developed, vacancy houses, affordable housing
Education	Distance to primary school, distance to secondary school, final examination mark, real-time to diploma, school dropouts, youth unemployment, education level population
Political Participation	Political engagement, turnout local elections, turnout national elections, political trust

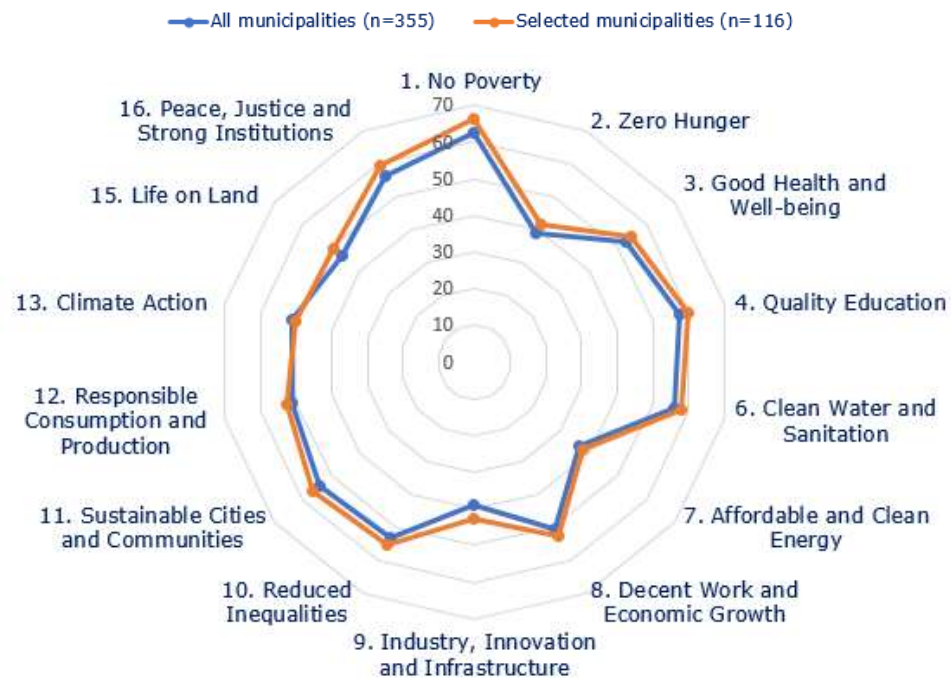
Economic Capital

Themes	Indicators
Labor	Employment function, Human resources exploitation, Unemployment, Incapacity for work, ageing labor force
Spatial Local Conditions for Businesses	Stock business parks, Net/gross area ratio business parks, Share outdated business parks, work locations, vacant office spaces, vacant retail spaces
Competitiveness	Gross regional product per capita, share of startups, share of bankruptcies, share of fast-growing enterprises, share of employment in economic top sectors, investments of non-financial companies
Infrastructure and Mobility	Access to train station, access to main roads and highways, shares of electric vehicles, recharging stations for electric vehicles, access to public busses
Knowledge	Share highly educated people, share of knowledge workers, capacity (applied) scientific education, high- and medium-tech employment, employment in the creative industry



Translation to SDG scoring

- The outcome of the triple P sustainability assessments were linked to the UN SDGs by TSC-Telos
- Most of the 140 available triple P indicators could get directly linked to the SDGs
- As the SDGs have some overlap, indicators may show up more than one time
- In total 14 of the 17 SDGs can be measured for Dutch municipalities (excluding Goals 5, 14 and 17)
- An overview of the SDGs and the indicators available to measure them is given in table 7.2 of the 2020 Framework (page 25)
- The BNG Bank Sustainable Dutch Municipalities Framework 2020 can be found here: www.bngbank.com/funding/sustainability-bond



Average scores for the 14 SDGs of all municipalities



Summary



Dutch Promotional Bank

Aaa (stable) / **AAA** (stable) / **AAA** (stable)

100% Dutch Government owned

Standard & Poor's (July 2020)

"Leading lender to Dutch public authorities, supporting better asset quality than that of commercial banks"

"Very strong capitalization"

"Almost certain likelihood of extraordinary government support"

Moody's (June 2020)

"The largest lender to the Dutch public sector, fully owned by Dutch public entities"

"High asset quality"

"Very high support probability from the Government of the Netherlands, resulting in a two-notch uplift for the bank's debt and deposit ratings"

Contact Information

Capital Markets

- Public Issuance
- Investor Relations

Tel. : +31 70 3081 730

E-mail: capital.markets@bngbank.nl

Money Markets

- Commercial Paper
- Short Term Deposits

Bloomberg Dealing: BNGM

Tel. : +31 70 3081 760

E-mail: moneymarkets@bngbank.nl

Appendix 1

Benchmark Curves

EUR	2,550,000,000	0.250%	2016	due February 2023	
EUR	2,100,000,000	0.050%	2018	due July 2023	
EUR	1,900,000,000	0.250%	2017	due January 2024	
EUR	1,000,000,000	0.050%	2016	due July 2024	- Sustainability Bond
EUR	1,750,000,000	0.500%	2018	due April 2025	
EUR	1,500,000,000	0.050%	2020	due April 2025	
EUR	1,600,000,000	0.250%	2015	due May 2025	
EUR	2,000,000,000	1.000%	2016	due January 2026	
EUR	1,100,000,000	0.125%	2019	due April 2026	
EUR	1,750,000,000	0.625%	2017	due June 2027	
EUR	1,400,000,000	0.750%	2018	due January 2028	
EUR	2,920,000,000	0.750%	2019	due January 2029	
EUR	2,490,000,000	0,100%	2020	due January 2030	
EUR	1,425,000,000	1.375%	2015	due October 2030	
EUR	1,000,000,000	0.010%	2020	due October 2032	- Sustainability Bond
EUR	1,500,000,000	0.125%	2020	due July 2035	
EUR	1,735,000,000	0.875%	2016	due October 2036	
EUR	960,000,000	1.500%	2017	due March 2038	
EUR	775,000,000	1.500%	2018	due July 2039	
EUR	950,000,000	0.805%	2019	due June 2049	
<u>144a</u>					
USD	1,500,000,000	2.625%	2019	due January 2021	
USD	1,500,000,000	2.500%	2018	due February 2021	
USD	1,500,000,000	1.625%	2016	due April 2021	
USD	1,750,000,000	2.375%	2017	due February 2022	
USD	3,000,000,000	1.500%	2019	due September 2022	
USD	1,500,000,000	2.500%	2013	due January 2023	
USD	2,000,000,000	0.750%	2020	due April 2023	
USD	2,500,000,000	3.000%	2018	due September 2023	
USD	1,500,000,000	2.625%	2019	due February 2024	
USD	1,000,000,000	1.500%	2019	due October 2024	- Sustainability Bond
USD	1,000,000,000	2.375%	2016	due March 2026	
USD	1,250,000,000	1.000%	2020	due June 2030	

Appendix 2 Kangaroo AUD - Kauri NZD issuance

Program size AUD 10 bn

Kangaroos

AUD	360 mn	5.50%	2012	due May 2022
AUD	450 mn	4.75%	2013	due March 2023
AUD	500 mn	0.75%	2020	due November 2023
AUD	1,000 mn	5.25%	2013	due May 2024
AUD	965 mn	3.25%	2015	due July 2025
AUD	50 mn	5.00%	2014	due April 2026
AUD	400 mn	3.25%	2016	due August 2026
AUD	690 mn	3.50%	2017	due July 2027
AUD	1,500 mn	3.30%	2018	due July 2028
AUD	1,320 mn	3.30%	2018	due April 2029
AUD	250 mn	1.60%	2020	due November 2030

Sustainability bond linked to the "Best-in-class" Dutch Municipalities

AUD	400 mn	1.90%	2019	due November 2025
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Private placement, linked to Renewable Energy projects

AUD	40 mn	2.95%	2019	due July 2029
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Kauri

NZD	65 mn	2.944%	2019	due March 2030
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