

Major increase in lending and growth of loan portfolio

- **Volume of new long-term loans granted amounted to EUR 6.6 billion, long-term loan portfolio increased to EUR 87.8 billion.**
- **Interest result came to EUR 220 million, net profit amounted to EUR 206 million.**
- **Strong capitalisation: Common Equity Tier 1 ratio of 37%, and Tier 1 capital ratio of 40%.**
- **EUR 8.7 billion in long-term funding was raised, of which over EUR 3.5 billion in SDG Bonds.**

The Hague, 5 September 2022 - The first half of 2022 was turbulent. The impact of the Russian invasion of Ukraine and the aftermath of the Covid-19 pandemic had significant economic consequences, which also affected our clients. Due to high inflation, the ECB has tightened its monetary policy and substantially higher interest rates apply.

Even in these difficult times, BNG Bank has shown itself a reliable and sustainable partner towards its clients in the public domain. We contribute ideas on the social issues we face, and through our loans with attractive rates, we provide over half of the total lending in the public domain. In the first half of 2022, we granted EUR 6.6 billion in long-term loans (first half of 2021: EUR 5.6 billion). Our long-term loan portfolio increased by EUR 0.7 billion to EUR 87.8 billion. The increase in the long-term loan portfolio was mainly due to a higher than expected demand, in particular from municipalities. As a result of the rising interest rates, some of our clients decided to take out loans earlier than they had initially planned.

Financial

BNG Bank has a healthy financial position. In the first half of 2022, we achieved an interest rate result of EUR 220 million, and our net profit for this period amounted to EUR 206 million. The increase in the net profit (first half of 2021: EUR 187 million) was mainly due to a reduction in the provisions for expected credit losses, and a higher result on financial transactions.

BNG Bank continues to have a strong capital position, with a Common Equity Tier 1 ratio of 37%, and a Tier 1 capital ratio of 40%. Thanks to this strong capitalisation, as well as our low risk profile and triple A ratings, our bonds remain attractive even in these times of uncertainty. In the first half of 2022, we raised EUR 8.7 billion in long-term funding. This included the highly successful issue of four new SDG Bonds (related to the Sustainable Development Goals) with a volume of over EUR 3.5 billion.

Strategy

In the first half of 2022, BNG Bank continued to implement its 'Our Road to Impact' strategy. The financing of the transitions of our clients is helping us to achieve the maximum social impact together. In order to strengthen our

strategic partnership with clients, a decision was made to modify the commercial organisation.

Making an impact through partnerships

Gita Salden, CEO BNG Bank: 'As a public bank, we have the same interests as our clients. BNG Bank wants to help make the Netherlands better and more attractive; we achieve this mainly through our loans, but also by connecting the various players in the public domain, based on our expertise as a bank. A good example of this is the prepaid card for Ukrainian refugees. In 225 municipalities in the Netherlands, BNG Bank's prepaid card offers a solution for refugees from Ukraine. The debit card is an initiative of BNG Bank and was previously used by municipalities for homeless people. Thanks to good cooperation with various parties involved, we were able to make the card suitable for Ukrainian refugees within just a few weeks and quickly scale up production.'

Outlook for 2022

We expect to achieve our full-year target of granting new solvency-free long-term loans for a total amount of EUR 9.8 billion. In the second half of 2022, we will also continue to optimise our organisation in order to improve its alignment with client wishes. The measurement of our clients' impact will be carried out for the second time. In addition, BNG Bank's climate action plan will be published.

Read the Interim Report and the underlying information on [BNGBank.com](https://www.bngbank.com).

BNG Bank is a committed and reliable financing partner that actively contributes to the creation of solutions to social issues in the public domain. In its activities, BNG Bank has chosen to focus on five SDGs: Good health and well-being (SDG 3), Quality education (SDG 4), Affordable and sustainable energy (SDG 7), Sustainable cities and communities (SDG 11) and Climate action (SDG 13, in particular the reduction of CO2 emission, limiting the demand for energy and increasing energy efficiency). BNG Bank is a solid player in the international capital market. The funding focuses on raising financing by issuing bonds, in particular SDG Bonds. SDG Bonds are used to finance sustainable, social and client activities.

CONSOLIDATED BALANCE SHEET

	<i>Amounts in millions of euros</i>	
	30/06/2022	31/12/2021
ASSETS		
Cash and balances	25,350	9,264
Amounts due from banks	155	163
Cash collateral	4,964	13,993
Financial assets at fair value through other comprehensive income	1,136	1,383
Derivatives	4,318	5,685
Financial assets at fair value through equity	7,255	8,572
Interest-bearing securities at amortised cost	7,354	7,632
Loans and advances	90,440	89,738
Value adjustments on loans in portfolio hedge accounting	-3,013	13,555
Other assets	233	64
Assets held for sale	-	8
TOTAL ASSETS	138,192	149,057
LIABILITIES		
Amounts due from banks	19,518	19,525
Cash collateral	1,093	984
Financial liabilities at fair value through the income statement	221	310
Derivatives	8,128	16,935
Debt securities	97,591	101,355
Funds entrusted	6,597	4,525
Subordinated debts	37	36
Other liabilities	462	325
TOTAL LIABILITIES	133,647	143,995
EQUITY		
Capital and realised reserves	3,972	3,881
Hybrid capital	309	733
Revaluation reserve	60	83
Cash flow hedge reserve	6	1
Own credit adjustment	1	3
Cost of hedging reserve	-9	125
Net profit	206	236
	4,545	5,062
TOTAL LIABILITIES	138,192	149,057

CONSOLIDATED INCOME STATEMENT

	<i>Amounts in millions of euros</i>	
	30/06/2022	30/06/2021
- Interest income	2,175	2,244
- Interest expenses	-1,955	-2,016
Interest result	220	228
- Commission income	11	10
- Commission expenses	-2	-2
Commission result	9	8
Result on financial transactions	92	63
Results from participating interests	10	1
Other results	0	1
TOTAL INCOME	331	301
Staff costs	-35	-25
Other administrative expenses	-18	-22
Depreciation	-1	-1
Other operating expenses	0	0
TOTAL OPERATING EXPENSES	-54	-48
Net impairment losses on financial assets	14	7
Net impairment losses on associates and joint ventures	1	-0
Contribution to resolution fund	-20	-2
Bank levy	-	-
TOTAL OTHER EXPENSES	-5	5
PROFIT BEFORE TAX	272	258
Income tax expense	-66	-71
Net profit	206	187
- of which attributable to the holders of hybrid capital	23	21
- of which attributable to shareholders	183	166