

bunq

# How Do We Invest?

May 2020



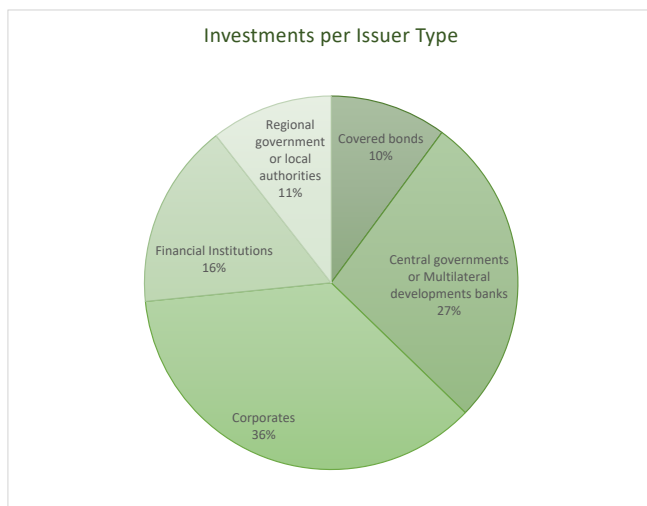
## How do we invest?

Regularly, users ask us how we invest their money. As bung's Chief Risk Officer I am closely involved with the investments so let me explain.

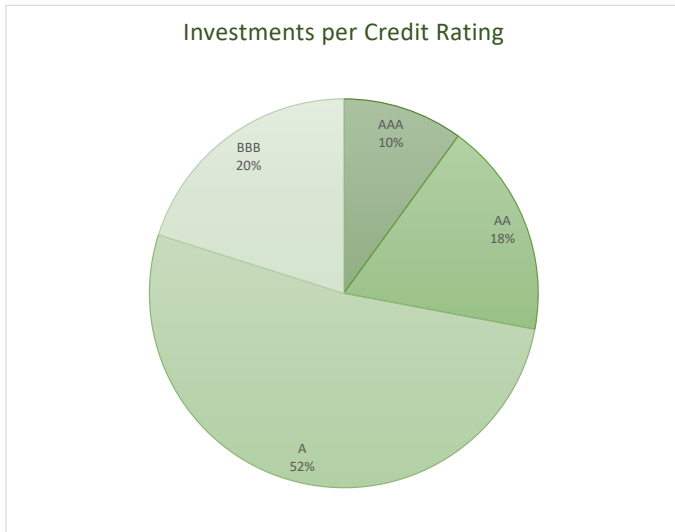
In Freedom of Choice you indicate how you want us to invest your money. The majority of users have indicated that they prefer bung's investments to be safe and green. In addition, the Dutch Central Bank, our supervisor, has a range of requirements that we must meet. And finally, we aspire to make a return on our investments so we can pay interest to you under the MassInterest scheme. Combined that makes a complex puzzle to solve.

So how does our investment portfolio look like?

Per 31 March 2020 bung's investment portfolio is well-spread over different issuer types: governments, financial institutions, corporates and covered bonds (bonds that finance residential mortgages).



Per 31 March 2020 bung's investment portfolio is safe:



Explanation: bunq has only investments with a good credit standing. All investments have been rated by external agencies. AAA is the very best credit rating, one step lower is AA, then A, then BBB. BBB is still considered to be of good credit worthiness ('investment grade'). Lower credit ratings are BB, B, CCC and D, but we don't have such investments.

Per 31 March 2020 bunq's investment portfolio is green. Our investments, excluding government bonds, are assessed and classified by a specialized agency based on Environment, Social and Governance (ESG) criteria. The result is shown below:

