

The Hague, 28 August 2019

NIBC reports steady performance in H1 2019 with net profit of EUR 83 million and reconfirms interim-dividend of EUR 0.25 per share

- Strong mortgage loan origination with growth of mortgage portfolio for own-book of over EUR 300 million and growth in originate-to-manage (OTM) portfolio of EUR 900 million, resulting in a market share of 4%;
- Progressing well with the execution of our rebalancing strategy: corporate client assets grew in chosen sectors like Structured Finance, Digital Infrastructure, and Leasing, while exposures in Leveraged Finance, Shipping and Energy were further reduced;
- Return on Equity of 9.7% in the first half of 2019, on track to achieve medium term objective by year-end;
- Net interest income strong at EUR 209 million in H1 2019, with net interest margin of 2.10%;
- Fully-loaded cost/income ratio of 46%, including IT transition and regulatory projects;
- Solvency ratios continued to be strong, with a CET 1 ratio of 18.5%, excluding half-year profit. Pro-forma CET 1 ratio H1 2019, following IMI outcomes as announced in June is 16.1%.

Statement of the CEO, Paulus de Wilt:

"Looking back at the first half of 2019, I am pleased to announce that NIBC has been able to report a steady performance. Despite the volatile and rapidly changing environment in which we operate, we continue to deliver upon our promises with today's results in line with last year and well on track to again achieve our medium-term objectives by the end of this year.

Influenced by the increasing global uncertainty on a macro-economic and geopolitical level, markets continue to be challenging. This means that we continuously and with great caution look at how the markets in which we operate develop, and focus on those transactions that fit our franchise and our risk parameters. Despite low-for-longer interest rates becoming a reality, the abundance of liquidity and related high levels of pre- and repayments, we have seen a renewed inflow of savings and strong mortgage origination levels in the first half of 2019. At the same time, we have made good progress with the rebalancing of our corporate portfolios and still see favourable markets for our equity portfolio in the second half of 2019.

Benefitting from the solid Dutch economy, we realised steady results in H1 2019, with a profit after tax at EUR 83 million and return on equity (ROE) of 9.7%. Our CET 1 ratio was 18.5% excluding the result of H1 2019. As we continue to invest in the NIBC organisation, ranging from our IT transition to regulatory projects, we are able to keep costs tightly under control reflecting our agile organisation. At the end of June 2019, the fully loaded cost/income ratio was 46%.

Driven by our 'Think Yes' mentality and the entrepreneurial spirit of our people, we are able to report healthy growth. The ability to rebalance and develop new activities is at the core of our business.

On the retail client side origination continued to be strong in the first half of 2019, with total origination of EUR 1.8 billion, resulting in a market share of just above 4%. Our mortgage portfolio for own book grew with EUR 300 million (+3%) to EUR 8.9 billion. The originate-to-manage (OTM) portfolio grew even more by adding EUR 900 million (+35%) of mortgages to EUR 3.3 billion. To continue the ability to also offer the longer tenors to our clients as well as attract new clients, we increased our existing mandate and secured a second mandate with a new institutional investor, totalling the OTM mandates at EUR 4.5 billion at the end of June 2019. In Buy-to-Let, we are seeing renewed signs of growth (+3.6%), after having finalised the first phase of our KYC enhancement program in the first months of 2019.

On the corporate client side we reported growth in chosen sectors like Structured Finance and Digital Infrastructure. In Leasing, Beequip is also showing anticipated growth as the portfolio grew from EUR 368 million at the end of 2018 to EUR 440 million at the end of June 2019.

We continue to focus on asset quality and a further rebalancing of our exposures, as evidenced by the active reduction of our portfolios in the selected sectors being Leveraged Finance, Shipping and Energy. Seeking diversification in terms of products and actively managing our risk weighted assets resulted in healthier risk metrics in the first half of 2019. The level of impairments remained stable compared to the first half of last year. We are proud of the announcement by S&P in May of this year as they upgraded our credit rating to BBB+ with a stable outlook, underpinning our strong capital position, stable funding profile and our continued focus on managing and reducing higher risk exposures.

As we initiated project CARE on the corporate client side to address the KYC/AML requirements, our people have together and with the help of our clients, pro-actively been committed to improving the processes that are necessary to continue to comply with the changing regulatory demands. Our approach should enable us to adapt faster to changes and for our clients to have an in-depth understanding of the changing environment. Having said that, the increased focus on KYC/AML processes has had an impact on our origination levels and the Net Promotor Score (NPS), as well as on the overall costs related to our licence to operate. As such, efficiency improvements are vital in order to manage our operational expenses actively. The partnering with fintechs like OakNorth will support us to further improve our operational processes going forward, increase our efficiency, and in the longer term, change the way we conduct our business.

Yesterday, after receiving all regulatory approvals, Reggeborgh Invest B.V. and J.C. Flowers & Co finalised the announced 5% transaction following the sell down on March 8, 2019. As a consequence, Reggeborgh increased its stake in NIBC to 14.6%, with the shareholding of JC Flowers group being reduced to 61%. We are proud that Reggeborgh confirmed its trust in NIBC by this investment.

I am grateful for the commitment and dedication of our people towards their work and our clients. The past months have been demanding for both our people as well as our clients, and I do not underestimate the role our people played in ensuring the increasing KYC requirements are looked after. With the bulk of the work behind us, we have started to send the first 'Thank you'-letters to our clients for their support and commitment. Supported by today's results, we are moving ahead with confidence towards the second half of 2019. By employing our key values of Professional, Entrepreneurial and Inventive, we will continue to be there on the decisive moments of our clients, now and in the future."

NIBC Holding N.V. – Key Figures

	H1 2019	H1 2018	2018
Earnings			
Operating income	251	254	551
Operating expenses	116	120	239
Profit after tax	89	90	229
Profit after tax attributable to shareholders	83	84	217
Cost/income ratio	46%	47%	43%
Net interest margin	2.10%	1.90%	2.11%
Return on equity	9.7%	10.5%	13.6%
Return on assets	0.77%	0.76%	0.99%
Earnings per share basic - annualised	1.13	1.15	1.48
Earnings per share diluted - annualised	1.13	1.15	1.48
Dividend per share	0.25	0.25	0.86
Price/earnings ratio	6.99	6.16	5.59

We refer to our Condensed Consolidated Interim Financial Report published on our [website](#) for further information.

For more information, visit our website at <https://www.nibc.com/> or contact:

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About NIBC

NIBC is best suited to help entrepreneurs at their decisive moments. Now and in the future. As a bank for entrepreneurs, we are committed to cultivating our 'THINK YES' mentality by being flexible and agile and by matching our clients' can-do attitude. We support our corporate clients in building their businesses. For our retail clients in the Netherlands, Germany and Belgium we offer mortgages, online savings and brokerage products that are accessible, easy to understand and fairly priced. Operating in the Netherlands (The Hague and Amsterdam), Germany and UK, our corporate clients business (mainly mid-market) offers advice and debt, mezzanine and equity financing solutions to entrepreneurs across select sectors and sub-sectors in which we have strong expertise and market positions. The midmarket is dynamic by nature and requires a bank that can respond quickly and in a highly flexible way. Our aim is to meet the market's requirements at decisive moments such as mergers and acquisitions, management buy-outs, investments and strategic financings and re-financings.

Notes to the press release

Parts of this press release contain inside information within the meaning of article 7 of Regulation (EU) No 596/2014 (Market Abuse Regulation). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in NIBC Holding N.V.

Forward-looking Statements

This press release may include forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including but not limited to terms such as guidance, expected, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improvements, promising, to offer, more, to be or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. The forward-looking statements included in this press release with respect to the business, results of operation and financial condition of NIBC Holding N.V. are subject to a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements, including but not limited to the following: changes in economic conditions in Western Europe, changes in credit spreads or interest rates, the results of our strategy and investment policies and objectives. NIBC Holding N.V. undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances that may arise after the date of this release.