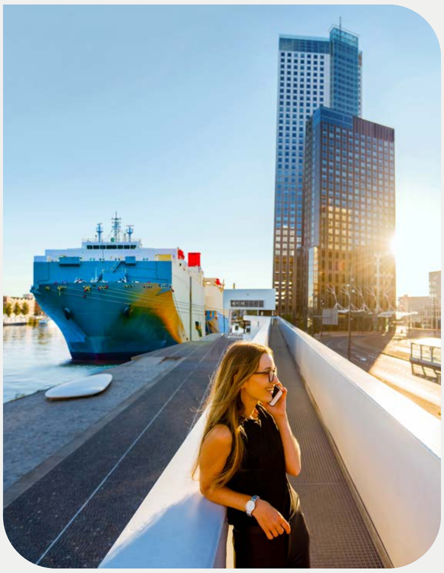
Condensed Interim Report 2023

NIBC BANK N.V.



Enabling Ambitions

by financing assets

NIBC
the entrepreneurial bank

TABLE OF CONTENTS

The Condensed Consolidated Interim Financial Report in this Interim Report has been prepared in accordance with IAS 34 Interim Financial Statements as adopted by the European Union and are reviewed by our external auditor.

To provide a better understanding of the underlying results, the income statement presented in the Financial Review section of this Interim Report differs from the one presented in the Condensed Consolidated Interim Financial Report.

This Interim Report is presented in euros (EUR), rounded to the nearest million (unless otherwise stated). Certain figures may not tally due to rounding and certain percentages have been calculated using rounded figures.

The use of the term NIBC implies NIBC Bank and all figures relate to those of NIBC Bank, unless stated otherwise.

For a download of this report or more information, please refer to:

Corporate communication
Eveline van Wesemael
T: +31 (0)70 342 5412
eveline.van.wesemael@nibc.com

Debt Investor Relations
Toine Teulings
T: +31 (0)70 342 9836
toine.teulings@nibc.com

E : info@nibc.com
www.nibc.com

Letter from the CEO

Dear reader,

During the first half of 2023, we have finalised our transition into an entrepreneurial asset-based financier, fully focusing on mortgages, asset-based finance in CRE, Infrastructure and Shipping and platform financing with Beequip and yesqar. Supported by our new brand positioning, we are looking forward to new opportunities to enable our clients to realise their ambitions through providing financing solutions for their assets.

In an economic environment that is still characterised by uncertainty, we are proud to report a strong performance. All core segments report continued growth of the portfolio, and we successfully reached agreement to sell both our CLO platform and our equity investment activities, further reducing non-core exposures and de-risking the balance sheet. This allows us to focus on our core activities and further explore the growth potential for these activities.

Against this backdrop, NIBC reports a strong first half year result. Driven by both an increase in operating income and lower operating expenses, net profit increased to EUR 92 million (including a non-recurring gain of EUR 7 million net of tax). Operating income benefitted from the continued improvement of our net interest margin, supported by improved margins on liabilities and increased volumes in core portfolios. Despite continuing inflation, we have been able to effectively reduce operating expenses, leading to a cost/income ratio of 45%, within the targeted range. Cost of risk remained relatively stable.

I am also pleased to report that these developments have led to positive rating actions, as Moody's recently published its decision to upgrade NIBC's long-term deposit and senior unsecured debt ratings to A3 and Fitch has improved its outlook for NIBC's debt rating to positive, with affirmation of the BBB+ rating.

We continue to invest in improving the bank's ability to work together with its clients to address ESG opportunities and challenges, whether it is via product development to help finance the energy transition or via efficient information sharing to meet increasing reporting requirements.

Being able to both complete the transformation into a focused asset-based financier and report strong results in the current challenging macro-economic environment makes me proud of our organisation and grateful for the commitment and dedication of our people to translate our entrepreneurial spirit into daily action, ensuring that we continue to support our clients to realise their ambitions.

The Hague, 16 August 2023

Paulus de Wilt
Chief Executive Officer,
Chairman of the Managing Board

Key Figures

- NIBC delivers strong performance over H1 2023 due to growth net interest income and good cost control resulting in higher profits. Profit attributable to shareholders amounts to EUR 92 million (H1 2022: EUR 56 million).
- Net interest income grew by 7% compared to H1 2022 due to growth of assets in all core segments despite decrease in Non-Core Activities. Margins benefit from lower cost of funds though in the same time we continue to see pressure on the margins for mortgages in a competitive market.
- Due to strict cost management, operating expenses decreased with EUR 13 million to EUR 110 million (H1 2022: EUR 123 million).
- Credit losses are relatively stable at EUR 10 million (H1 2022: EUR 9 million) with reduced impairments in core portfolios.
- Please refer to note 1 Segment report for the income statement per segment.

Income statement

in EUR millions	H1 2023	ex. Non-recurring H1 2023	H1 2022	ex. Non-recurring H1 2022	H1 2023 vs. H1 2022	ex. non-recurring H1 2023 vs. H1 2022
Net interest income	206	206	193	190	7%	9%
Net fee and commission income	20	20	24	24	(15%)	(15%)
Investment income	3	3	13	13	(76%)	(76%)
Other income	13	12	(21)	20	>100%	(39%)
Operating income	**243**	**242**	**209**	**247**	**16%**	**(2%)**
Personnel expenses	48	48	46	46	4%	4%
Other operating expenses	47	47	61	59	(23%)	(21%)
Depreciation and amortisation	2	2	2	2	(22%)	(22%)
Regulatory charges and levies	13	13	14	14	(5%)	(5%)
Operating expenses	**110**	**110**	**123**	**121**	**(11%)**	**(10%)**
Net operating income	**134**	**133**	**86**	**126**	**55%**	**5%**
Credit loss expense/ (recovery)	10	12	9	18	19%	(35%)
Gains or (losses) on disposal of assets	8	0	-	-	>100%	0%
Income tax	33	30	15	23	>100%	31%
Profit after tax	**98**	**91**	**62**	**85**	**56%**	**7%**
Profit attributable to non-controlling shareholders	6	6	6	6	0%	0%
Profit after tax attributable to shareholders of the company	**92**	**85**	**56**	**79**	**62%**	**8%**

GENERAL DEVELOPMENTS

The first half of 2023 is characterised by ongoing uncertainty due to the remaining high inflation, continued increase in interest rates and turbulence in financial markets. Even though inflation has decreased somewhat, uncertainty remains. In response to the inflationary environment, the ECB continued increasing its key interest rates leading to a deposit facility rate of 3.5% in June 2023 (3.75% as of August 2023).

NIBC successfully increased its interest rate margin within this continuously changing environment, executing its business strategy by continuing to focus on its core activities and de-risking the balance sheet. We succesfully exited our European Collateralised Loan Obligation management activities and reached an agreement to sell our equity investment activities.

	H1 2023	ex. non-recurring H1 2023	2022	ex. non-recurring 2022	2021	ex. non-recurring 2021
Earnings						
Net interest margin[1]	1.78%	1.78%	1.73%	1.72%	1.72%	1.72%
Cost/income ratio[1]	45%	45%	54%	49%	47%	44%
Return on equity[1]	10.5%	9.7%	8.0%	9.3%	10.6%	11.1%
Return on equity at 13% CET 1[1]	15.4%	14.2%	10.6%	12.4%	18.0%	18.8%

1 Items are Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.

	H1 2023	2022	2021
Asset quality			
Cost of risk (on average RWA)[1]	0.24%	0.23%	0.47%
Impairment ratio[1]	0.11%	0.11%	0.20%
Impairment coverage ratio[1]	39%	38%	28%
NPL ratio[1]	2.1%	2.1%	2.6%
Solvency information			
Equity attributable to shareholders of the company	1,855	1,845	1,828
AT1 and subordinated liabilities	383	402	463
Balance sheet total	22,824	22,692	22,658
Risk Weighted Assets	8,977	9,187	8,572
Common Equity Tier 1 ratio	18.1%	17.7%	19.0%
Tier 1 ratio	20.3%	19.8%	21.4%
Total capital ratio	21.1%	20.7%	22.5%
Leverage ratio	7.7%	7.6%	8.4%
Funding & liquidity			
Loan-to-deposit ratio[2]	165%	163%	163%
S&P rating and outlook[3]	BBB Stable	BBB+ Stable	BBB+ Stable
Fitch rating and outlook[3,4]	BBB+ Positive	BBB+ Stable	BBB+ Stable
Moody's rating and outlook[3,5]	A3 Stable	Baa1 Stable	Baa1 Stable

1 Items are Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.
2 Item is Alternative Performance Measures (APM). The calculations of those items are explained in the APM section.
3 Reported ratings are based on NIBC's senior preferred debt ratings.
4 NIBC Bank received a Positive Outlook on 18 July 2023.
5 NIBC Bank received a rating upgrade to A3 on 27 July 2023. The rating of Moody's is unsolicited.

Responsibility Statement

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act, the members of the Managing Board of NIBC Holding N.V. state that to the best of their knowledge:

I. The Condensed Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of NIBC Bank N.V. and the companies included in the consolidation;

II. The Interim Report for the six-months period ending on 30 June 2023, gives a true and fair view of the information required pursuant to section 5:25d, paragraphs 8 and 9, of the Dutch Financial Supervision Act of NIBC Bank N.V. and the companies included in the consolidation.

The Hague, 16 August 2023

Managing Board
Paulus de Wilt , Chief Executive Officer and Chairman
Reinout van Riel, Chief Risk Officer and Vice-Chairman
Claire Dumas, Chief Financial Officer
Anke Schlichting, Chief Technology Officer

Condensed Consolidated Interim Financial Report NIBC Bank N.V. 2023

Small differences are possible due to rounding.

Consolidated income statement

in EUR millions	note	For the period ended 30 June 2023	For the period ended 30 June 2022
Interest income from financial instruments measured at amortised cost and fair value through other comprehensive income	2	346	250
Interest income from financial instruments measured at fair value through profit or loss	2	7	5
Interest expense from financial instruments measured at amortised cost	2	138	59
Interest expense from financial instruments measured at fair value through profit or loss	2	9	2
Net interest income		**206**	**194**
Fee income	3	20	24
Net fee income		**20**	**24**
Investment income	4	3	13
Net trading income or (loss)	5	6	(3)
Net gains or (losses) from assets and liabilities at fair value through profit or loss	6	6	24
Net gains or (losses) on derecognition of financial assets measured at amortised cost	7	1	(42)
Operating income		**243**	**209**
Personnel expenses	8	48	46
Other operating expenses	9	47	61
Depreciation and amortisation		2	2
Regulatory charges and levies	10	13	14
Operating expenses		**110**	**123**
Credit loss expense	11	10	9
Gains or (losses) on disposal of assets	23	8	-
Profit before tax		**131**	**77**
Income tax	12	33	15
Profit after tax		**98**	**62**
Attributable to:			
Shareholders of the company		92	56
Holders of capital securities		6	6

Consolidated statement of comprehensive income

in EUR millions	note	For the period ended 30 June 2023	For the period ended 30 June 2022
Profit after tax for the period		**98**	**62**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property and equipment	21	-	(1)
Movement in the fair value of own credit risk of financial liabilities designated at fair value through profit or loss	31	11	34
Items that may be reclassified subsequently to profit or loss			
Net result on hedging instruments	31	(2)	(4)
Movement in revaluation for debt investments at FVOCI	15/31	3	(12)
Income tax effect on net current period change		**(0)**	**5**
Total other comprehensive income		**12**	**21**
Total comprehensive income		**110**	**83**
Total comprehensive income attributable to:			
Shareholders of the company	31	104	77
Holders of capital securities	32	6	6
Total comprehensive income		**110**	**83**

Consolidated balance sheet

in EUR millions	note	30-Jun-23	31-Dec-22
Assets			
Cash and balances with central banks		2,218	2,087
Due from other banks		580	841
Financial assets at fair value through profit or loss (including trading)			
Debt investments		14	15
Derivative financial instruments		104	162
Equity investments (including investments in associates)	13	124	162
Loans	14	161	143
Financial assets at fair value through other comprehensive income			
Debt investments	15	935	862
Financial assets at amortised cost			
Loans	16	6,045	6,149
Lease receivables	17	3	5
Mortgage loans	18	12,202	11,749
Securitised mortgage loans	19	230	241
Other			
Investment property	20	23	26
Investments in associates and joint ventures (equity method)		5	4
Property and equipment (including right-of-use assets)	21	28	28
Intangible assets		2	-
Current tax assets		0	-
Deferred tax assets		4	7
Other assets	22	15	10
Assets held for sale	23	132	202
Total assets		**22,824**	**22,692**

in EUR millions	note	30-Jun-23	31-Dec-22
Liabilities			
Due to other banks		410	744
Deposits from customers		11,293	11,227
Financial liabilities at fair value through profit or loss (including trading)			
Derivative financial instruments		217	232
Debt securities in issue structured	24	91	89
Other liabilities			
Current tax liabilities		3	1
Deferred tax liabilities		1	2
Provisions	25	5	6
Accruals and other liabilities	26	62	73
Debt securities in issue at amortised cost			
Own debt securities in issue	27	8,299	7,850
Debt securities in issue related to securitised mortgages	28	206	221
Subordinated liabilities			
Fair value through profit or loss	29	118	136
Amortised cost	30	64	66
Total liabilities		**20,769**	**20,647**
Equity			
Share capital	31	80	80
Share premium	31	238	238
Revaluation reserves	31	128	116
Retained profit	31	1,409	1,411
Equity attributable to the shareholders		**1,855**	**1,845**
Capital securities	32	200	200
Total equity		**2,055**	**2,045**
Total liabilities and equity		**22,824**	**22,692**

Condensed consolidated statement of changes in equity

	Attributable to						
in EUR millions	Share capital	Share premium	Revaluation reserves	Retained profit	Equity of the company	Capital securities	Total equity
Balance at 1 January 2023	**80**	**238**	**116**	**1,411**	**1,845**	**200**	**2,045**
Total comprehensive income for the period ended 30 June 2023	-	-	12	92	104	6	110
Distributions							
Paid coupon on capital securities	-	-	-	-	-	(6)	(6)
Dividend paid during the period	-	-	-	(94)	(94)	-	(94)
Balance at 30 June 2023	**80**	**238**	**128**	**1,409**	**1,855**	**200**	**2,055**

	Attributable to						
in EUR millions	Share capital	Share premium	Revaluation reserves	Retained profit	Equity of the company	Capital securities	Total equity
Balance at 1 January 2022	**80**	**238**	**79**	**1,431**	**1,828**	**200**	**2,028**
Total comprehensive income for the period ended 30 June 2022	-	-	21	56	77	6	83
Other	-	-	-	(1)	(1)	-	(1)
Distributions							
Paid coupon on capital securities	-	-	-	-	-	(6)	(6)
Dividend paid during the period	-	-	-	(112)	(112)	-	(112)
Balance at 30 June 2022	**80**	**238**	**100**	**1,374**	**1,792**	**200**	**1,992**

Condensed consolidated cash flow statement

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Operating profit after tax	98	62
Non-cash items recognised in operating income and expenses	10	(23)
Net change in assets and liabilities relating to operating activities	(487)	512
Cash flows from operating activities	**(379)**	**551**
Cash flows from investing activities	40	14
Cash flows from financing activities	321	63
Net change in cash and cash equivalents	**(18)**	**629**
Cash and cash equivalents at 1 January	**2,445**	**2,219**
Net foreign exchange difference	(0)	0
Net changes in cash and cash equivalents	(18)	629
Cash and cash equivalents at 30 June	**2,427**	**2,848**
Reconciliation of cash and cash equivalents		
Cash and balances with central banks (maturity three months or less)	2,038	1,963
Due from other banks (maturity three months or less)	389	885
	2,427	**2,848**

In 2022 the presentation of the cash flow statement has been altered to provide more relevant information (mainly by improved allocation of the net foreign exchange difference). The 30 June 2022 comparative figures have been changed accordingly.

Accounting policies

CORPORATE INFORMATION

NIBC Bank N.V., together with its subsidiaries (**NIBC** or **the Group**), is incorporated and domiciled in the Netherlands, and is a 100% subsidiary of NIBC Holding N.V. (**NIBC Holding**).

NIBC provides a broad range of financial services to corporate and retail clients. Refer to the segment report in this condensed consolidated interim financial report for further details.

NIBC is the entrepreneurial asset financier for businesses and individuals. NIBC finances assets from mortgages to buy-to-let, commercial real estate, shipping, infrastructure and tech-based solutions for automotive and equipment with a focus on clients in North-western Europe. Over the years NIBC initiated several new labels and platforms: Beequip (Equipment leasing solutions), Lot Hypotheken (mortgage provider) and OIMIO (financing of Commercial Real Estate for SMEs).

BASIS OF PREPARATION

The condensed consolidated interim financial report for the period ended 30 June 2023 has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The Managing Board and Supervisory Board have, at the time of approving the condensed consolidated interim financial report for the period ended 30 June 2023, a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections, considering the changed macroeconomic situation (including inflation, increasing interest rates, the energy crisis and the war in Ukraine), show that the Group has sufficient financial resources (i.e. liquidity buffers) for at least the coming 12 months. Accordingly, the Managing Board and Supervisory Board have adopted the going concern basis in preparing this condensed consolidated interim financial report for the period ended 30 June 2023.

This condensed consolidated interim financial report was approved by the Managing Board on 16 August 2023 and is published including a review report by the external auditor.

This condensed consolidated interim financial report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with NIBC's consolidated financial statements for the year ended 31 December 2022, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (together **IFRS-EU**). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements 2022.

The accounting policies used in this condensed consolidated interim financial report are consistent with those set out in the notes to NIBC's consolidated financial statements 2022. NIBC's consolidated financial statements 2022 are available on NIBC's website.

The Euro is the functional currency of NIBC, and all figures are rounded to the nearest EUR million, except when otherwise indicated.

NIBC has applied significant critical judgements in the preparation of the condensed consolidated interim financial report for the period ended 30 June 2023. Areas particularly important in the first half of 2023 are the fair value measurement of certain financial instruments and the determination of expected credit losses of loans, in particular in relation to the assessment when loans have experienced a significant change in credit risk (staging) and in the application of macroeconomic scenarios when estimating the increase in expected credit losses (management judgement). Actual results may differ from the estimates made. Interim results are not necessarily indicative of full-year results.

More information on where critical judgements are generally applied and where estimation uncertainty exists can be found in the Critical Accounting and Estimates paragraph in NIBC's consolidated financial statements 2022.

Refer to note 11 Credit loss expense where the impact of the changes and developments in the macroeconomic situation in the first half year 2023 on the determination of the ECL including management overlay are disclosed.

APPLICATION OF NEW IFRS-EU ACCOUNTING STANDARDS

New standards and amendments to standards become effective at the date specified by IFRS-EU but may allow companies to opt for an earlier application date. For the early adoption of amendments to standards reference is made to NIBC's consolidated financial statements 2022.

There are no new standards or amendments to standards as adopted by the EU, and no upcoming changes published prior to 30 June 2023 that are material to NIBC.

INTERBANK OFFERED RATE REFORM (IBOR REFORM)

The USD LIBOR ceased to be published after 30 June 2023. All new contracts as from 1 January 2022 are based on the new benchmark, and NIBC has implemented transition language for the existing bilateral USD positions. Conversions are handled by the responsible account managers of the asset class and the derivatives team if relevant. A set of processes is in place to ensure a correct transition.

The following table shows the carrying amounts as per 30 June 2023 for contracts with a synthetic GBP or USD LIBOR interest benchmark. There are no outstanding undrawn loan commitments nor derivatives in active hedging relationships with a LIBOR interest rate benchmark.

in EUR millions	GBP LIBOR	USD LIBOR	Total
Derivatives	0	46	46
Non-derivative financial assets	24	278	302
Non-derivative financial liabilities	-	38	38

Notes to the (condensed) consolidated interim financial report

1 SEGMENT REPORT

Accounting policy for segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Managing Board of NIBC.

Segment assets, income and results are measured based on NIBC's accounting policies and include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Liabilities are not allocated and reported to the chief operating decision-maker, but the related funding costs are allocated to the segments using an internal fund transfer pricing framework. NIBC reports interest income and expense on a net basis for the segments as NIBC uses the net interest income as a performance measure instead of gross interest income and expense. Transactions between segments are conducted on an arm's length basis.

Operating segments

The operating segments are as follows:

MORTGAGES

The Mortgages segment reflects all activities related to mortgage lending and includes our offering in Owner-Occupied mortgage loans (both for own book and as Originate-to-Manage) and Buy-to-Let mortgage loans. The mortgage loan products are offered in the Netherlands.

ASSET-BACKED FINANCE

The Asset-Backed Finance segment consists of our corporate asset classes. In this segment we focus on asset-backed lending within the asset classes Commercial Real Estate, Digital Infrastructure and Shipping. Products are mainly offered in North-western Europe.

PLATFORMS

The Platforms segment includes the ventures that NIBC has launched in recent years, which aim to provide alternative financing solutions to clients. yesqar has been successfully launched and shows significant growth, leading to an increasing contribution to NIBC's overall performance. To support their differentiating client offering, tech-driven asset financing and growth ambitions, this subsidiary has implemented its own operating model, however within the risk appetite, risk management and governance framework defined by NIBC.

NON-CORE ACTIVITIES

A number of activities are considered to be non-core and no longer part of NIBC's strategic focus. Consequently, these activities are managed in a separate segment with the aim to reduce exposures and operations, and no new origination. For the time that activities are still undertaken and NIBC still has exposures in these asset classes, the following asset classes are reported as Non-Core Activities: Offshore Energy, PFI Infrastructure Lending, Mid Market Corporates, Leveraged Finance, Fintech & Structured Finance, and Mobility. In addition, the corporate Originate-to-Manage offering in the form of funds, managed accounts and CLOs, and equity financing/mezzanine through NIBC Investment Partners are part of the Non-Core Activities segment.

TREASURY & GROUP FUNCTIONS

Treasury & Group functions includes NIBC's treasury function, asset and liability management, risk management and the bank's Corporate Centre which includes HR & Corporate Communications, Internal Audit, Legal & Compliance, Sustainability, Operations & Facilities, Information Technology, Data & Analytics, Finance, Tax, Corporate Development and retail savings. A substantial part of the operating expenses as well as FTEs of Group functions are allocated to the segments Mortgages, Asset-Backed Finance, Platforms and Non-Core Activities.

Interest expenses per segment are based on the matched funding principle with funding being provided by Treasury & Group functions. Fund transfer prices are determined per currency and different maturity buckets. Operational expenses are allocated based on an internal allocation model, in which a distinction is made between direct and indirect allocations. For indirect allocations, NIBC uses various keys, such as transaction volumes or FTEs, direct allocations are activity-based.

No operating segments have been aggregated to form the above-mentioned segments. Transfer prices between operating segments are at an arm's length basis in a manner similar to transactions with third parties.

Certain financial assets and liabilities are not allocated to Mortgages, Asset-Backed Finance, Platforms and/or Non-Core Activities segments as they are managed on a group basis. These financial assets and liabilities are held within the segment Treasury & Group functions and mainly comprise cash, debt investments, derivative assets and liabilities as well as majority of the Group's funding, including retail savings. As the assets of the operating segments are funded internally with transfer pricing, NIBC's external funding is held within Treasury & Group functions.

Segment income statement

The following table presents the segment report comprising of a summary of our internal management report and the reconciliation to the consolidated results under IFRS for the period ended 30 June 2023:

	For the period ended 30 June 2023					
in EUR millions	Mortgages	Asset-Backed Finance	Platforms	Non-Core Activities	Treasury & Group Functions	Total (consolidated financial statements)
Net interest income	51	46	3	18	88	206
Net fee income	18	0	-	2	0	20
Investment income	-	(1)	-	4	-	3
Net trading income / (loss)	(0)	0		6	0	6
Net gains or (losses) from assets and liabilities at fair value through profit or loss	(0)	3	-	1	3	6
Net gains or (losses) on derecognition of financial assets measured at amortised cost	-	(0)	-	1	-	1
Other operating income	(0)	0	(0)	-	0	0
Operating income	**68**	**49**	**3**	**31**	**92**	**243**
Other operating expenses[1]	30	21	2	15	28	96
Regulatory charges and levies	-	-	-	-	13	13
Operating expenses	**30**	**21**	**2**	**15**	**41**	**110**
Net operating income	**38**	**27**	**2**	**16**	**50**	**134**
Credit loss expense	2	(3)	0	12	(0)	10
Gains or (losses) on disposal of assets	-	-	-	8	-	8
Profit / (loss) before tax	**36**	**31**	**1**	**12**	**51**	**131**
Income tax	9	8	0	2	13	33
Profit / (loss) after tax	**27**	**23**	**1**	**10**	**37**	**98**
Attributable to:						
Shareholders of the company	27	23	1	10	31	92
Holders of capital securities	-	-	-	-	6	6
FTEs	166	172	11	98	153	601
Segment assets	13,106	3,692	268	1,518	4,240	22,824

1 Other operating expenses include all operating expenses except regulatory charges and levies.

The following table presents the income and expenses incurred at each location for the period ended 30 June 2023:

Income and expenses per country

	For the period ended 30 June 2023				
in EUR millions	The Netherlands	Germany	United Kingdom	Belgium	Total
Operating income	223	14	3	3	243
Operating expenses	102	3	4	1	110
Credit loss expense	11	(0)	-	-	10
Gains or (losses) on disposal of assets	8	-	-	-	8
Profit / (loss) before tax	**118**	**11**	**(0)**	**2**	**131**
Income tax	29	4	(0)	(0)	33
Profit / (loss) after tax	**89**	**8**	**(0)**	**2**	**98**
FTEs	563	15	17	6	601
Segment assets	22,818	6	-	-	22,824

The following table presents the segment report comprising of a summary of our internal management report and the reconciliation to the consolidated results under IFRS for the period ended 30 June 2022:

	For the period ended 30 June 2022					
in EUR millions	Mortgages	Asset-Backed Finance	Platforms	Non-Core Activities	Treasury & Group Functions	Total (consolidated financial statements)
Net interest income	66	43	0	42	43	194
Net fee income	20	(0)	-	3	1	24
Investment income	-	-	-	13	-	13
Net trading income / (loss)	(0)	0		(5)	2	(3)
Net gains or (losses) from assets and liabilities at fair value through profit or loss	(0)	(0)		(4)	28	24
Net gains or (losses) on derecognition of financial assets measured at amortised cost	-	-	-	(42)	-	(42)
Other operating income	-	-	-	-	0	0
Operating income	**86**	**43**	**0**	**6**	**75**	**209**
Other operating expenses	37	17	-	24	32	109
Regulatory charges and levies	-	-	-	-	14	14
Operating expenses	**37**	**17**	**-**	**24**	**46**	**123**
Net operating income	**49**	**26**	**0**	**(18)**	**29**	**86**
Credit loss expense	2	3	-	4	(0)	9
Profit / (loss) before tax	**47**	**23**	**0**	**(22)**	**30**	**77**
Income tax	12	5	0	(8)	6	15
Profit / (loss) after tax	**35**	**18**	**(0)**	**(14)**	**23**	**62**
Attributable to:						
Shareholders of the company	35	18	(0)	(14)	17	56
Holders of capital securities					6	6
FTEs	159	132	-	161	155	607
Segment assets	12,096	3,299	-	2,445	5,093	22,934

The following table presents the income and expenses incurred at each location for the period ended 30 June 2022:

Income and expenses per country

	For the period ended 30 June 2022				
in EUR millions	The Netherlands	Germany	United Kingdom	Belgium	Total
Operating income	196	7	3	2	209
Operating expenses	114	5	3	1	123
Credit loss expense	9	(0)	-	-	9
Profit / (loss) before tax	**73**	**3**	**(0)**	**1**	**77**
Income tax	14	1	(0)	0	15
Profit / (loss) after tax	**59**	**2**	**(0)**	**1**	**62**
FTEs	545	31	25	6	607
					-
Segment assets	22,926	8	-	-	22,934

2 NET INTEREST INCOME

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Interest and similar income		
Interest income from financial instruments measured at amortised cost and fair value through other comprehensive income	**346**	**250**
Cash and balances with central banks	31	0
Due from other banks	2	(0)
Debt investments	11	1
Derivatives related to assets at amortised cost	(39)	(15)
Loans	166	111
Lease receivables	11	2
Mortgage loans	165	151
Interest income from financial instruments measured at fair value through profit or loss	**7**	**5**
Debt investments	2	2
Derivatives	1	0
Loans	4	3
	353	**255**
Interest expense and similar charges		
Interest expense from financial instruments measured at amortised cost	**138**	**59**
Cash and balances with central banks	0	3
Due to other banks	8	1
Deposits from customers	71	19
Debt investments	-	1
Debt securities	58	35
Derivatives related to liabilities at amortised cost	(1)	(1)
Loans	1	0
Subordinated liabilities	1	1
Other	0	1
Interest expense from financial instruments measured at fair value through profit or loss	**9**	**2**
Debt securities	2	3
Derivatives	2	(4)
Subordinated liabilities	5	3
	147	**62**
	206	**194**

NIBC has drawn amounts under the TLTRO III program in 2023. TLTRO III has a drawn amount of EUR 300 million with a remaining maturity of less than two years (maturity in 2024). The EUR 250 million tranche was prepaid in February 2023.

3 NET FEE INCOME

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Lending related fees	1	1
Originate-to-Manage loans	2	2
Originate-to-Manage mortgages	18	20
Other mortgage fees	0	0
	20	**24**

The Originate-to-Manage mortgages consist of an origination fee of EUR 2 million (H1 2022: EUR 7 million) and a management fee of EUR 16 million (H1 2022: EUR 13 million). Due to lower origination volumes within the Originate-to-Manage portfolio, the origination fees decreased in H1 2023. As the total exposure has continued to increase, this supported further growth of the management fees.

4 INVESTMENT INCOME

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Share in result of associates and joint ventures accounted for using the equity method	2	0
Equity investments at fair value through profit or loss		
Gains less losses from associates	3	3
Gains less losses from other equity investments	(2)	9
	3	**13**

5 NET TRADING INCOME OR (LOSS)

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Financial instruments mandatory measured at fair value through profit or loss		
Debt investments held for trading	5	(5)
Other assets and liabilities held for trading	(0)	2
Other net trading income	1	(0)
	6	**(3)**

The debt investments held for trading include gain of EUR 6 million on the retained non-rated positions of the sold CLO transactions (2022 H1: loss of EUR 5 million).

6 NET GAINS OR (LOSSES) FROM ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Financial instruments mandatory at fair value through profit or loss other than those included in net trading income		
Debt securities	0	(0)
Derivatives held for hedge accounting		
Fair value hedges of interest rate risk	(15)	16
Cash flow hedges of interest rate risk	1	1
Other interest rate derivatives	19	8
Loans	4	(5)
Other		
Foreign exchange	1	1
Non-financial instruments		
Investment property - revaluation result	(3)	2
Earn-out commitments	(0)	0
	6	**24**

Fair value hedges of interest rate risk report a loss of EUR 15 million (2022 H1: gain of EUR 16 million). This includes a loss of EUR 53 million on the hedging instruments (2022 H1: gain of EUR 265 million) and a gain of EUR 38 million on the hedged items (2022 H1: loss of EUR 248 million). Cash flow hedges report a gain of EUR 1 million (2022 H1: gain of EUR 1 million).

Interest rate instruments (economic hedge without hedge accounting) reports a gain of EUR 19 million (2022 H1: gain of EUR 8 million). This result includes a loss of EUR 5 million Credit Value Adjustment (**CVA**) (2022 H1: loss of EUR 1 million), a gain of EUR 22 million due to hedges that were not included in hedge accounting (2022 H1: gain of EUR 4 million) and a gain of EUR 1 million in cross currency swaps (2022 H1: gain of EUR 3 million).

Corporate loans report a gain of EUR 4 million (2022 H1: loss of EUR 5 million), which includes EUR 6 million gains due to improved valuations and EUR 2 million losses due to negative revaluation. The fair value result for consumer loans is nil (2022 H1: nil) (see note 14 Loans at fair value through profit or loss).

Investment property revaluation includes land and buildings revalued as of 30 June 2023 based on an independent external appraisal. Land and buildings with the available for rental status decreased in value, leading to a loss of EUR 3 million in in the first half of 2023 (2022 H1: gain of EUR 2 million).

The valuation of the earn-out commitments contains estimation uncertainty as it relates to the future performance of the different businesses. Management has assessed the potential future cash flows of the different businesses, the likelihood of an earn-out payment being made and discounted using an appropriate discount rate. Neither the earn-out payments made in the first half of 2023 nor the reassessment of the different remaining earn-out commitments has a material impact on the 2023 financials.

7 NET GAINS OR (LOSSES) ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Loans	1	(42)
	1	**(42)**

The result includes financial assets sold against a price different than the carrying value. In 2022, most financial assets were derecognised as a result of strategic portfolio sales aimed at reducing NIBC's non-core exposures.

8 PERSONNEL EXPENSES

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Salaries	33	31
Severance payments	0	0
Compensation external employments	2	4
Variable compensation		
Cash bonuses	1	1
Share-based, cash-settled and deferred bonuses	1	1
Pension and other post-retirement charges		
Defined-contribution plan	7	7
Other post-retirement charges/(releases) including own contributions of employees	(1)	(1)
Social security charges	4	4
Other staff expenses	0	0
	48	**46**

The number of Full Time Equivalents (**FTEs**) decreased from 607 at 30 June 2022 to 601 at 30 June 2023.

The increase in personnel expenses in the first half of 2023 is explained by the increase in salaries following the inflation compensation and an increase in senior staff, partly compensated by lower external employments.

9 OTHER OPERATING EXPENSES

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Other operating expenses		
Project expenses and consultants	9	17
Marketing and communication expenses	2	3
Other employee expenses	1	2
ICT and data expenses	16	16
Process outsourcing	12	16
Fees of auditors	2	2
Other	6	6
	47	**61**

The decrease of total operating expenses can be explained by lower costs for external advisors for projects and lower process outsourcing expenses related to the mortgages portfolios due to lower origination volumes.

10 REGULATORY CHARGES AND LEVIES

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Resolution levy	7	6
Deposit Guarantee Scheme	6	8
	13	**14**

The decrease in the Deposit Guarantee Scheme contribution can mainly be explained by the lower regulatory supplementation charges as a result of NIBC's relative lower growth of guaranteed saving deposits. H1 2022 also included an early estimation on the impact of the ATB-bankruptcy.

11 CREDIT LOSS EXPENSE

Credit loss expense on- and off-balance financial assets

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Financial assets at amortised cost / fair value through other comprehensive income		
Debt investments	(0)	(0)
Loans	9	5
Held for sale	0	-
Lease receivables	1	4
Mortgage loans	2	1
Debtors	0	0
Cash	(0)	(0)
Total for on-balance sheet financial assets (in scope of ECL requirements)	**11**	**9**
Off-balance sheet financial instruments and credit lines		
Committed facilities with respect to mortgage loans	0	0
Irrevocable loan commitments	(1)	(1)
Held for sale	(0)	-
Total for off-balance sheet financial assets (in scope of ECL requirements)	**(1)**	**(0)**
	10	**9**

Movement of the credit loss allowances

The following table discloses the movement of the credit loss allowances including management overlays in the first half of 2023 per financial instrument and ECL stage.

in EUR millions	Balance at 1 January 2023	Movements with no impact on credit loss allowances of financial assets in the income statement	Movements with impact on credit loss allowances of financial assets in the income statement	Balance at 30 June 2023
Stage 1				
Debt investments FVOCI	(0)	0	(0)	(0)
Loans AC	22	(0)	(0)	22
Mortgage loans AC	5	0	2	6
Off-balance	3	0	(1)	2
Stage 2				
Debt investments FVOCI	(0)	-	0	(0)
Loans AC	9	1	(4)	6
Mortgage loans AC	7	(0)	0	7
Off-balance	1	0	(0)	1
Stage 3				
Loans AC	65	(4)	9	70
Lease receivables AC	26	-	1	27
Mortgage loans AC	1	1	0	1
POCI				
Loans AC	62	4	3	69
Mortgage loans AC	0	-	0	0
Off-balance	1	(0)	(0)	0
	200	**1**	**10**	**211**

The following table discloses the movement of the credit loss allowances including management overlays in 2022 per financial instrument and ECL stage.

in EUR millions	Balance at 1 January 2022	Movements with no impact on credit loss allowances of financial assets in the income statement	Movements with impact on credit loss allowances of financial assets in the income statement	Balance at 31 December 2022
Stage 1				
Debt investments FVOCI	(0)	-	0	(0)
Loans AC	14	(2)	10	22
Mortgage loans AC	2	-	3	5
Off-balance	3	0	(0)	3
Stage 2				
Loans AC	26	(11)	(7)	9
Mortgage loans AC	7	0	(0)	7
Off-balance	1	0	(0)	1
Stage 3				
Loans AC	80	(19)	4	65
Lease receivables AC	22	-	4	26
Mortgage loans AC	1	2	(2)	1
POCI				
Loans AC	50	3	9	62
Off-balance	1	0	(0)	0
	205	**(26)**	**20**	**200**

The credit loss expense for corporate loans relates to the non-performing portfolio (stage 3 and POCI) and the updated macroeconomic scenarios. These credit loss expenses are tempered by decreases in ECL for stage 2 due to derecognitions.

The credit loss expenses on mortgage loans increased due to an addition to the management overlay of EUR 1 million (2022: EUR 3 million).

MANAGEMENT OVERLAY

CORPORATE EXPOSURE

As the ECL modelling outcome is the result of assumptions and inputs, the outcome may not fully reflect all risks and circumstances as they are present at reporting date. Management concluded that some circumstances are not fully captured in the predictive value of the model, nor are they included in the historical data on which the models have been constructed. In this period of increased uncertainty, especially with respect to economic developments and potential effects of inflation, stabilising real estate market at elevated prices, shortage of building material supply and a changing environment in public financing activities, a management overlay has been recognised to correctly reflect all risks and uncertainties per 30 June 2023. The nature of the management overlay focuses on sectors with elevated risk exposures, which are mainly recognised on Non-core portfolios. Compared to 2022 (EUR 7 million), the ECL management overlay remained stable at

EUR 7 million in both stage 1 and 2 to represent the portfolios exposed to the above described uncertainties.

MORTGAGE LOANS

NIBC considered the current uncertainty on future developments in the house prices together with increased inflation. With increased inflation levels and increases in interest rates there is uncertainty on the portfolio risk for mortgages. NIBC performed an analysis to quantify the customer's ability to pay, taking into account the customer's burden space and the current decrease in house prices. The outcome of the analysis was one of the considerations to include the ECL management overlay on mortgage loans. The ECL management overlay for mortgage loan exposures amounts to EUR 12 million (2022: EUR 11 million). The increase is due to the elevated macroeconomic uncertainties and the potential impact on the Dutch housing market.

MACROECONOMIC SCENARIOS

NIBC updates the macroeconomic scenarios twice a year. For the H1 2023 ECL calculations, NIBC has adjusted the macroeconomic scenarios. Key changes to macroeconomic assumptions and the related economic scenarios which affect the ECL estimate are disclosed below.

Inflation is expected to decline throughout 2023, assuming energy prices do not spike again. Additionally, the labor market is not expected to display significant stress. House prices in the NL is expected to decrease until Q2 2024 and start increasing only from Q3 2024. It is assumed that global oil markets manage to adjust to the EU’s oil embargo. Natural gas prices are expected to remain below their summer peaks. It is expected that global oil prices show a slight increase till the end of the year followed by a decrease over the next few years.

The following table shows changes to the economic outlook with regards to Dutch Gross Domestic Product (**GDP**), Oil Price and House Price index for the baseline scenario.

year-on-year changes	2023	2024	2025	2026	2027
GDP (NL)	1.5%	1.1%	1.7%	1.2%	0.9%
GDP (UK)	0.5%	1.0%	1.3%	1.3%	1.2%
GDP (DE)	0.3%	1.9%	2.3%	1.9%	1.7%
Oil Price	-15.0%	-2.4%	-12.6%	-3.3%	1.8%
House Price Index (NL)	-4.2%	-3.1%	2.6%	5.9%	5.8%
House Price Index (DE)	-101.0%	-0.1%	3.5%	4.5%	4.5%

NIBC has considered the number of scenarios and weights assigned to individual scenarios and decided to leave the scenario weights unadjusted, consequently continuing to emphasise the elevated risk of a down turn. The assumptions made in relation to the forecast period used for scenario modelling have remained unchanged. The updates of the macroeconomic scenarios and weights during the first half year of 2023 have led to an increase in ECL of EUR 2 million.

ANALYSIS ON SENSITIVITY

The following tables show the ECL sensitivities of financial instruments not measured at FVtPL.

Sensitivity analysis ECL stages 1 and 2 Corporate loans as per 30 June 2023 (drawn and undrawn, excluding management overlay and POCI)

SCENARIO	Macro-economic variables[1]	2023	2024	2025	Unweighted ECL stages 1 and 2	Probability weighting	Reported ECL stages 1 and 2
		% year-on-year change			in EUR million	in %	in EUR million
UPSIDE SCENARIO	GDP (NL)	2.0%	3.2%	1.7%	19	10.0%	
	GDP (UK)	1.3%	3.7%	1.6%			
	GDP (DE)	1.0%	3.8%	2.0%			
	Oil Price	-13.7%	-1.3%	-14.7%			
BASELINE SCENARIO	GDP (NL)	1.5%	1.1%	1.7%	22	30%	23
	GDP (UK)	0.5%	1.0%	1.3%			
	GDP (DE)	0.3%	1.9%	2.3%			
	Oil Price	-15.0%	-2.4%	-12.6%			
DOWNSIDE SCENARIO	GDP (NL)	1.1%	-0.3%	2.1%	25	60%	
	GDP (UK)	-0.2%	-1.6%	2.5%			
	GDP (DE)	-0.2%	0.1%	3.0%			
	Oil Price	-17.9%	-10.9%	-8.1%			

1 GDP is real 'Gross Domestic Product'
HPI is 'House Price Index'

Sensitivity analysis ECL stages 1 and 2 Mortgage loans as per 30 June 2023 (drawn and undrawn, excluding management overlay)

SCENARIO	Macro-economic variables	2023	2024	2025	Unweighted ECL stages 1 and 2	Probability weighting	Reported ECL stages 1 and 2
		% year-on-year change			in EUR million	in %	in EUR million
UPSIDE SCENARIO	HPI (NL)	-4.0%	-1.0%	4.7%	1	10%	
	HPI (DE)	-9.9%	1.8%	4.4%			
BASELINE SCENARIO	HPI (NL)	-4.2%	-3.1%	2.6%	1	30%	1
	HPI (DE)	-10.1%	-0.1%	3.5%			
DOWNSIDE SCENARIO	HPI (NL)	-4.5%	-5.2%	0.6%	1	60%	
	HPI (DE)	-11.8%	-0.7%	4.0%			

Sensitivity analysis ECL stages 1 and 2 Corporate loans as per 30 June 2022 (drawn and undrawn, excluding management overlay and POCI)

SCENARIO	Macro-economic variables[1]	2022	2023	2024	Unweighted ECL stages 1 and 2	Probability weighting	Reported ECL stages 1 and 2
		% year-on-year change			in EUR million	in %	in EUR million
UPSIDE SCENARIO	GDP (NL)	4.3%	3.7%	1.5%	21	10.0%	
	GDP (UK)	4.4%	3.0%	1.5%			
	GDP (DE)	2.7%	4.5%	2.7%			
	Oil Price	42.6%	-23.6%	-16.2%			
BASELINE SCENARIO	GDP (NL)	3.5%	1.9%	1.7%	23	30.0%	25
	GDP (UK)	3.7%	1.0%	1.5%			
	GDP (DE)	2.0%	2.6%	3.0%			
	Oil Price	40.0%	-25.1%	-13.4%			
DOWNSIDE SCENARIO	GDP (NL)	3.1%	0.3%	2.4%	26	60.0%	
	GDP (UK)	3.1%	-1.7%	2.7%			
	GDP (DE)	1.5%	0.9%	3.8%			
	Oil Price	48.6%	-12.5%	-17.2%			

1 GDP is real 'Gross Domestic Product '
HPI is House Price Index

Sensitivity analysis ECL stages 1 and 2 Mortgage loans as per 30 June 2022 (drawn and undrawn, excluding management overlay)

SCENARIO	Macro-economic variables	2022	2023	2024	Unweighted ECL stages 1 and 2	Probability weighting	Reported ECL stages 1 and 2
		% year-on-year change			in EUR million	in %	in EUR million
UPSIDE SCENARIO	HPI (NL)	14.7%	4.5%	0.3%	1	10.0%	
	HPI (DE)	13.0%	9.1%	6.1%			
BASELINE SCENARIO	HPI (NL)	14.5%	2.4%	-1.1%	1	30.0%	1
	HPI (DE)	12.7%	7.0%	5.2%			
DOWNSIDE SCENARIO	HPI (NL)	14.0%	0.2%	-2.1%	1	60.0%	
	HPI (DE)	12.5%	6.4%	5.7%			

Movement schedule of carrying values per ECL stage

The following tables show the movement of the financial assets at FVOCI and AC, as well as the undrawn commitments, and guarantees granted and irrevocable letters of credit ('other'), per ECL stage.

in EUR millions	Balance at 1 January 2023	Originated or purchased	Derecog-nised	Write-offs	Loss allowance	FX and other	Transfer to held for sale	Stage transfers	Balance at 30 June 2023
Stage 1									
Debt investments FVOCI	859	197	(127)	-	(0)	3	-	-	933
Loans AC	5,746	723	(754)	0	0	12	1	(39)	5,689
Lease receivables AC	-	-	-	-	-	-	-	-	-
Mortgage loans AC	11,502	956	(474)	-	(2)	(1)	-	(26)	11,955
Securitised mortgage loans AC	239	-	(11)	-	-	-	-	(1)	227
Off-balance:									
Undrawn commitments	1,176	-	(108)	-	-	3	-	(73)	998
Other	25	8	-	-	-	-	-	(22)	11
Stage 2									
Debt investments FVOCI	2	0	(0)	-	(0)	(0)	-	-	2
Loans AC	308	4	(74)	-	4	1	5	23	271
Lease receivables AC	-	-	-	-	-	-	-	-	-
Mortgage loans AC	129	-	(19)	-	(0)	0	-	8	118
Securitised mortgage loans AC	2	-	(0)	-	-	-	-	(0)	2
Off-balance:									
Undrawn commitments	31	-	(29)	-	-	0	-	73	75
Other	-	-	-	-	-	-	-	22	22
Stage 3									
Loans AC	59	-	(28)	1	(9)	3	-	16	43
Lease receivables AC	5	-	(1)	-	(1)	-	-	-	3
Mortgage loans AC	72	-	(5)	(1)	(0)	0	-	-	66
Off-balance:									
Undrawn commitments	0	-	-	-	-	-	-	-	0
Other	0	-	-	-	-	-	-	-	0
POCI									
Loans AC	35	19	(2)	-	(3)	(4)	-	-	44
Mortgage loans AC	46	-	(3)	-	(0)	-	-	-	43
Off-balance:									
Undrawn commitments	21	-	(19)	-	-	(0)	-	-	2
Other	28	3	-	-	-	(1)	-	-	30
	20,286	**1,910**	**(1,654)**	**1**	**(11)**	**17**	**6**	**(18)**	**20,536**

Off-balance 'Other' refers to guarantees granted and irrevocable letters of credit.

in EUR millions	Balance at 1 January 2022	Originated or purchased	Derecog-nised	Write-offs	Loss allowance	FX and other	Transfer to held for sale	Stage transfers	Balance at 31 December 2022
Stage 1									
Debt investments FVOCI	850	251	(221)	-	(0)	(20)	-	-	859
Loans AC	5,645	2,616	(2,239)	3	(10)	(171)	(37)	(61)	5,746
Lease receivables AC	-	-	-	-	-	-	-	-	-
Mortgage loans AC	11,415	3,000	(2,862)	-	(3)	(0)	-	(49)	11,502
Securitised mortgage loans AC	278	-	(40)	-	-	-	-	0	239
Off-balance:									
Undrawn commitments	1,451	-	(278)	-	-	(8)	-	10	1,176
Other	36	-	(11)	-	-	1	-	(1)	25
Stage 2									
Debt investments FVOCI	3	0	(0)	-	(0)	0	-	-	2
Loans AC	531	19	(309)	5	7	6	(5)	55	308
Lease receivables AC	-	-	-	-	-	-	-	-	-
Mortgage loans AC	123	(0)	(31)	-	0	(0)	-	37	129
Securitised mortgage loans AC	3	-	(0)	-	-	-	-	(0)	2
Off-balance:									
Undrawn commitments	69	-	(28)	-	-	(0)	-	(9)	31
Other	0	-	(2)	-	-	(0)	-	1	-
Stage 3									
Debt investments FVOCI	-	-	-	-	-	-	-	-	-
Loans AC	163	0	(127)	22	(4)	6	(7)	5	59
Lease receivables AC	8	-	-	-	(4)	-	-	-	5
Mortgage loans AC	68	-	(8)	(2)	2	-	-	12	72
Off-balance:									
Undrawn commitments	1	0	-	-	-	-	-	(1)	0
Other	0	-	-	-	-	0	-	-	0
POCI									
Loans AC	43	4	-	1	(9)	(4)	-	-	35
Mortgage loans AC	52	-	(7)	-	0	-	-	-	46
Off-balance:									
Undrawn commitments	10	11	-	-	-	-	-	-	21
Other	28	-	(2)	-	-	2	-	-	28
	20,777	**5,902**	**(6,164)**	**30**	**(21)**	**(189)**	**(49)**	**0**	**20,286**

12 TAX

in EUR millions	For the period ended 30 June 2023	For the period ended 30 June 2022
Current tax	34	19
Deferred tax	(1)	(4)
	33	**15**
Tax reconciliation		
Profit before tax	**131**	**77**
Tax calculated at the nominal Dutch corporate tax rate of 25.8% (2022: 25.8%)	34	20
Impact of income not subject to tax	(2)	(5)
Impact of expenses not deductible	1	-
Effect of different tax rates other countries	1	0
Actualisation including true-ups and revaluations	(0)	(0)
	33	**15**

The impact of income not subject to tax mainly relates to income from equity investments and investments in associates, in which NIBC has a stake of more than 5%, being income that is tax exempt under Dutch tax law.

Income tax expense is recognised based on management's best estimate of the expected annualised income tax rate for the full financial year, as well as discrete items recognised in the first half of 2023. This results in an effective tax rate of 25.2% for the period ended 30 June 2023 (H1 2022: 19.4%). Income tax expenses are allocated based on applicable income tax rates for each jurisdiction.

NIBC Holding N.V. is the parent company of NIBC Bank N.V., NIBC Investments N.V. and NIBC Investment Management N.V., which are all part of the same fiscal entity.

13 EQUITY INVESTMENTS (FAIR VALUE THROUGH PROFIT OR LOSS, INCLUDING INVESTMENTS IN ASSOCIATES)

in EUR millions	30-Jun-23	31-Dec-22
Investments in associates	37	18
Other equity investments	87	144
	124	**162**

During the first half of 2023, the equity investments (FVtPL) portfolio decreased by EUR 40 million, mainly due to cash distributions by the fund exposures and the realised sale of direct investments.

14 LOANS (FAIR VALUE THROUGH PROFIT OR LOSS)

in EUR millions	30-Jun-23	31-Dec-22
Corporate loans	153	133
Consumer loans	8	10
	161	**143**
Legal maturity analysis of corporate loans		
Three months or less	2	11
Longer than three months but not longer than one year	116	28
Longer than one year but not longer than five years	34	94
Longer than five years	-	-
	153	**133**

in EUR millions	2023	2022
Movement schedule of corporate loans		
Balance at 1 January	**133**	**131**
Additions	2	30
Disposals	(4)	(8)
Changes in fair value	4	4
Transfer from or to assets held for sale	17	(24)
Balance at 30 June / 31 December	**153**	**133**

The maximum corporate exposure to credit risk without taking account of any collateral or other credit enhancement for these financial assets amounts to EUR 190 million as per 30 June 2022 (2022: EUR 183 million).

This credit risk exposure is mitigated by the collateral held as security and other credit enhancements on these assets, for which the fair value amounts as per 30 June 2023 to EUR 160 million (2022: EUR 139 million).

In relation to the transactions disclosed in note 23 Assets and liabilities held for sale one exposure (EUR 17 million) has been excluded from the transaction.

15 DEBT INVESTMENTS (FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of debt investments		
Three months or less	36	21
Longer than three months but not longer than one year	122	124
Longer than one year but not longer than five years	700	630
Longer than five years	76	86
	935	**862**

At 30 June 2023 EUR 921 million of debt investments was listed (31 December 2022: EUR 862 million) and includes EUR 80 million of government bonds (31 December 2022: EUR 79 million).

16 LOANS (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Corporate loans	4,802	5,005
Loans with group companies	1,243	1,144
	6,045	**6,149**
Legal maturity analysis of loans		
Three months or less	1,028	913
Longer than three months but not longer than one year	718	799
Longer than one year but not longer than five years	3,197	3,325
Longer than five years	1,102	1,112
	6,045	**6,149**

The decrease in corporate loans at AC is the result of the successful reduction of NIBC's Non-core portfolios and selective origination and growth in the core activities, focussing on asset-backed financing.

There are no contractual amounts outstanding on loans that were written off and are still subject to enforcement activity for 2023 and 2022.

The maximum credit risk exposure including undrawn corporate credit facilities arising on loans at AC amounted to EUR 6,490 million (2022: EUR 6,820 million).

The total amount of corporate subordinated loans in this item amounted to EUR 38 million per 30 June 2023 (2022: EUR 32 million).

As per 30 June 2023, EUR 16 million of corporate loan exposure (2022: EUR 16 million) was guaranteed by the Dutch State.

17 LEASE RECEIVABLES (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Lease receivables	3	5
	3	**5**

The Lease Receivables portfolio consists of granular exposures and relatively small ticket sizes and short maturities. Positions are fully collateralised by the underlying equipment.

18 MORTGAGE LOANS (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Owner-occupied mortgage loans	10,853	10,382
Buy-to-Let mortgage loans	1,349	1,367
	12,202	**11,749**
Legal maturity analysis of mortgage loans		
Three months or less	14	9
Longer than three months but not longer than one year	28	51
Longer than one year but not longer than five years	215	184
Longer than five years	11,946	11,505
	12,202	**11,749**

19 SECURITISED MORTGAGE LOANS (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of securitised mortgage loans		
Three months or less	-	0
Longer than three months but not longer than one year	0	0
Longer than one year but not longer than five years	1	1
Longer than five years	228	240
	230	**241**

20 INVESTMENT PROPERTY

in EUR millions	30-Jun-23	31-Dec-22
The movement in investment property may be summarised as follows		
Balance 1 January	**26**	**23**
Additions	1	2
Changes in fair value	(3)	0
Balance at 30 June / 31 December	**23**	**26**

Land and buildings were revalued as of 30 June 2023 based on an independent external appraisal. Investment property (land and buildings with the available for rental status) decreased in value in H1 2023, leading to a loss of EUR 3 million before tax. The revaluation result is included in note 6 Net gains or (losses) from assets and liabilities at fair value through profit or loss.

21 PROPERTY AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

in EUR millions	30-Jun-23	31-Dec-22
Land and buildings	24	25
Other fixed assets	1	1
Right-of-use assets[1]	3	2
	28	**28**

1 The right-of-use assets reflect the rental of NIBC's offices in London, Frankfurt and Brussels.

Land and buildings were revalued as of 30 June 2023 based on an independent external appraisal. The positive difference with the carrying amount arising from the revaluation of land and buildings in own use amounts to EUR 0.06 million before tax is debited to the revaluation reserves in equity.

Refer to note 26 Accruals and other liabilities for the lease liabilities corresponding to the right-of-use assets.

22 OTHER ASSETS

in EUR millions	30-Jun-23	31-Dec-22
Accrued interest	0	0
Other accruals and receivables	15	10
	15	**10**

23 ASSETS AND LIABILITIES HELD FOR SALE

In 2022, NIBC committed to a plan to sell its UK collateral management franchise and its NIBC Investment Partners franchise, including a significant part of the investment portfolio. The equity and debt investments in scope have been classified as assets held for sale.

On 26 April 2023 NIBC sold its European Collateralised Loan Obligation management activities to Aegon Asset Management. The sale comprises NIBC's North Westerly CLO platform in its entirety, including the NIBC CLO team, collateral management of three outstanding CLOs with assets under management of approximately EUR 1.2 billion and associated risk retention positions in the three CLOs. The transaction has been closed on 21 June 2023. Consequently, the positions have been derecognised, leading to a decrease of the held for sale assets.

At the reporting date continues to report the positions related to the NIBC Investment Partners franchise as held for sale. Please see note 37 Subsequent eventsfor an update on developments after reporting date.

The combined impact of the sale of the UK collateral management franchise sale and the envisaged sale of NIBC Investment Partners franchise on the income statement over the first half of 2023 is not material.

in EUR millions	30-Jun-23	31-Dec-22
Debt investments (FVtPL)	-	22
Equity investments (including investments in associates)	84	84
Investments in associates and joint ventures (equity method)	6	7
Loans (FVtPL)	-	17
Debt investments (AC)	-	25
Loans (AC)	47	49
Transaction costs	(5)	(2)
	132	**202**

Debt investments classified at FVtPL, loans classified at FVtPL and debt investments classified at AC decreased per H1 2023 to nil due to the sale of the UK collateral management franchise.

24 DEBT SECURITIES IN ISSUE STRUCTURED (DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of debt securities in issue structured		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	36	35
Longer than five years	55	54
	91	**89**

in EUR millions	2023	2022
Movement schedule of debt securities in issue structured		
Balance at 1 January	**89**	**133**
Additions	1	0
Matured / redeemed	-	(31)
Changes in fair value	0	(14)
Other (including exchange rate differences)	(0)	1
Balance at 30 June / 31 December	**91**	**89**

The contractual amounts of these liabilities to be repaid at maturity, including unpaid but accrued interest at the balance sheet date, amounted to EUR 99 million at 30 June 2023 (2022: EUR 98 million).

The cumulative change in fair value included in the balance sheet amounts (designated at FVtPL) attributable to changes in interest rates and credit risk amounts to a gain of EUR 2 million. There is no change for the first half of 2023 recognised in other comprehensive income (2022: gain of EUR 10 million). See note 33.7 for further information with respect to IFRS 9 Own credit risk.

During the first half of 2023 there were no redemptions at the scheduled maturity date of debt securities in issue designated at FVtPL (2022: EUR 31 million) and no repurchases of debt securities before the legal maturity date (2022: nil).

The changes in fair value reflect movements due to both market interest rate changes and market credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated with results on financial derivatives.

25 PROVISIONS

in EUR millions	30-Jun-23	31-Dec-22
ECL allowances for off-balance sheet financial instruments	3	4
Employee benefits	2	2
	5	**6**

Employee benefit obligations of EUR 1million at 30 June 2023 are related to payments to be made in respect of other leave obligations (2022: EUR 1 million).

26 ACCRUALS AND OTHER LIABILITIES

in EUR millions	30-Jun-23	31-Dec-22
Payables	34	40
Lease liabilities[1]	3	2
Other accruals	22	23
Taxes and social securities	3	8
	62	**73**

1 Refer to note 21 Property and equipment for the right-of-use assets corresponding to the lease liabilities.

27 OWN DEBT SECURITIES IN ISSUE (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of own debt securities in issue		
Three months or less	10	106
Longer than three months but not longer than one year	1,137	859
Longer than one year but not longer than five years	4,334	4,050
Longer than five years	2,818	2,835
	8,299	**7,850**

in EUR millions	2023	2022
Movement schedule of own debt securities in issue		
Balance at 1 January	**7,850**	**7,667**
Additions	1,135	1,332
Matured / redeemed	(698)	(1,124)
Other (including exchange rate differences)	11	(25)
Balance at 30 June / 31 December	**8,299**	**7,850**

In the first half of 2023 NIBC issued a Soft Bullet Covered Bond of EUR 500 million with a maturity of seven years and an EUR 500 million fixed rate senior non preferred bond with a maturity of two and a half years. Additionally three senior preferred notes are issued (EUR 65 million) with maturities between one and two years.

The disposals of own debt securities in issue at amortised cost for the first half of 2023 include redemptions at the scheduled maturity date to an amount of EUR 670 million (2022: EUR 1,067 million) and (temporary) buyback of positions for EUR 22 million (2022 : EUR 45 million).

The additions include an EUR 2 million change in cumulative hedge adjustment during the first half of 2023 (2022: EUR 12 million change in disposals).

Interest expense of EUR 55 million is recognised on own debt securities in issue at amortised cost liabilities during the first half of 2023 (H1 2022: EUR 35 million). The increase is mainly due increased interest rates.

28 DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of debt securities in issue related to securitised mortgage loans		
Three months or less	1	1
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	-	-
Longer than five years	205	221
	206	**221**

in EUR millions	2023	2022
Movement schedule of debt securities in issue related to securitised mortgage loans		
Balance at 1 January	**221**	**267**
Matured / redeemed	(15)	(46)
Balance at 30 June / 31 December	**206**	**221**

29 SUBORDINATED LIABILITIES (DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS)

in EUR millions	30-Jun-23	31-Dec-22
Non-qualifying as grandfathered additional Tier-1 capital	43	46
Subordinated loans other	75	90
	118	**136**
Legal maturity analysis of subordinated liabilities		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	-	-
Longer than five years	118	136
	118	**136**

in EUR millions	2023	2022
Movement schedule of subordinated liabilities		
Balance at 1 January	**136**	**196**
Additions	2	4
Matured / redeemed	(2)	-
Changes in fair value	(16)	(70)
Other (including exchange rate differences)	(1)	5
Balance at 30 June / 31 December	**118**	**136**

The fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated by results on financial derivatives.

The contractual amounts of these liabilities to be repaid at maturity, including unpaid but accrued interest at the balance sheet date, amounted to EUR 270 million at 30 June 2023 (2022: EUR 273 million).

The cumulative change in fair value included in the balance sheet amounts (designated at fair value through profit or loss) attributable to changes in interest rates and credit risk amounts to a gain of EUR 125 million (2022: gain of EUR 114 million). The change for the first half of 2023 is a gain of EUR 11 million recognised in other comprehensive income (2022: gain of EUR 45 million). See note 33.7 Own credit adjustments on financial liabilities designated at fair value for further information with respect to own credit risk.

Interest expense of EUR 5 million was recognised on subordinated liabilities in the first half of 2023 (H1 2022: EUR 3 million). The increase is mainly due increased interest rates. In the first half of 2023 and 2022 no gains or losses were realised on the repurchase of liabilities with respect to this balance sheet item.

30 SUBORDINATED LIABILITIES (AMORTISED COST)

in EUR millions	30-Jun-23	31-Dec-22
Legal maturity analysis of subordinated liabilities		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	64	66
Longer than five years	-	-
	64	**66**

in EUR millions	2023	2022
Movement schedule of subordinated liabilities		
Balance at 1 January	**66**	**67**
Matured / redeemed	(2)	(1)
Other (including exchange rate differences)	0	0
Balance at 30 June / 31 December	**64**	**66**

Interest expense of EUR 1 million is recognised on subordinated liabilities (AC) during the first half of 2023 (H1 2022: EUR 1 million).

31 EQUITY

Since 13 January 2023 Flora Holdings III Limited is the legal holder of 100% in the ordinary shares of NIBC Holding N.V. NIBC's issued ordinary share capital is fully paid-up.

in EUR millions	30-Jun-23	31-Dec-22
Equity attributable to the equity holders		
Share capital	80	80
Share premium	238	238
Revaluation reserves		
Revaluation reserve - hedging instruments	1	3
Revaluation reserve - debt investments	(8)	(11)
Revaluation reserve - property	14	14
Revaluation reserve - own credit risk	121	110
Retained profit	1,409	1,411
	1,855	**1,845**

Share capital

	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
	Numbers x 1,000		in EUR millions	
Authorised shares	183,598	183,598	215	215
Unissued share capital	121,011	121,011	135	135
Issued share capital A shares	**62,587**	**62,587**	**80**	**80**
	Numbers x 1,000		in EUR millions	
The number and total amounts of authorised shares				
Class A ordinary shares	110,938	110,938	142	142
Class B, C, D, E1 and E3 preference shares	72,600	72,600	73	73
Class E4 preference shares	60	60	-	-
	183,598	**183,598**	**215**	**215**
			in EUR	
Classes and par values of authorised shares				
Class A ordinary shares			1.28	1.28
Class B, C, D, E1 and E3 preference shares			1.00	1.00
Class E4 preference shares			5.00	5.00

Available distributable amount (subject to DNB approval)

in EUR millions	As at 30 June 2023	As at 30 June 2022
Equity attributable to the equity holders	1,855	1,792
Share capital	(80)	(80)
Legal reserves		
Within retained earnings	(2)	(10)
Revaluation reserves	(16)	(19)
Total legal reserves	**(18)**	**(29)**
Total available distributable amount	**1,757**	**1,683**

32 CAPITAL SECURITIES

in EUR millions	30-Jun-23	31-Dec-22
Movement schedule of capital securities issued by NIBC		
Balance at 1 January	**200**	**200**
Profit after tax attributable to holders of capital securities	6	12
Paid coupon on capital securities	(6)	(12)
Balance at 30 June / 31 December	**200**	**200**

The capital securities are perpetual and consequently have no expiry date. The distribution on the capital securities issued in September 2017 is as follows: the coupon is 6% per year and is made payable every six months in arrears as of the issue date (29 September 2017), for the first time on 29 March 2018. The capital securities are first redeemable on 29 September 2026. As of 29 September 2026, and subject to capital securities not being redeemed early, the distribution is set for a further five-year period, but without a step-up, based on the five-year euro swap rate + 5.564%. Both the coupon and the notional are fully discretionary.

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

33.1 FINANCIAL INSTRUMENTS BY FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 within the fair value hierarchy based on the degree to which the fair value is observable:

Fair value of financial instruments at 30 June 2023

in EUR millions	Level 1	Level 2	Level 3	30-Jun-23
Financial assets at fair value through profit or loss (including trading)				
Debt investments	-	14	1	14
Derivative financial assets	-	104	-	104
Equity investments (including investments in associates)	-	-	124	124
Loans	8	131	22	161
Assets held for sale	84	-	-	84
	92	**249**	**147**	**487**
Financial assets at fair value through other comprehensive income				
Debt investments	890	29	15	935
	890	**29**	**15**	**935**
	982	**278**	**162**	**1,422**
Financial liabilities at fair value through profit or loss (including trading)				
Derivative financial liabilities	-	217	-	217
Debt securities in issue structured	-	91	-	91
Subordinated liabilities	-	118	-	118
	-	**426**	**-**	**426**

Fair value of financial instruments at 30 June 2022

in EUR millions	Level 1	Level 2	Level 3	31-Dec-22
Financial assets at fair value through profit or loss (including trading)				
Debt investments	-	14	1	15
Derivative financial assets	-	162	-	162
Equity investments (including investments in associates)	-	-	162	162
Loans	10	130	3	143
Assets held for sale	125	-	-	125
	135	**306**	**166**	**607**
Financial assets at fair value through other comprehensive income				
Debt investments	764	97	0	862
	764	**97**	**0**	**862**
	899	**403**	**166**	**1,468**
Financial liabilities at fair value through profit or loss (including trading)				
Derivative financial liabilities	-	232	-	232
Debt securities in issue structured	-	89	-	89
Subordinated liabilities	-	136	-	136
	-	**458**	**-**	**458**

33.2 VALUATION TECHNIQUES

The following is a description of the determination of fair value for financial instruments that are recorded at fair value using either quoted prices or valuation techniques. These incorporate NIBC's interpretation of valuation assumptions (qualitative) that a market participant would consider when valuing the instruments.

Financial assets at fair value through profit or loss and at fair value through other comprehensive income

DEBT INVESTMENTS - LEVEL 1
For the determination of fair value at 30 June 2023, NIBC used market-observable prices. NIBC has determined the fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

DEBT INVESTMENTS - LEVEL 2
For the determination of fair value at 30 June 2023, NIBC used market-observable prices. NIBC has determined fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

DEBT INVESTMENTS - LEVEL 3
For the level 3 debt investments, NIBC uses valuation models that apply discounted cash flow analysis that incorporates both observable and unobservable data. Observable inputs include interest rates and collateral values; unobservable inputs include assumptions regarding credit spreads and market liquidity discounts.

DERIVATIVES FINANCIAL ASSETS AND LIABILITIES (HELD FOR TRADING AND USED FOR HEDGING) - LEVEL 2

Derivative products valued using a valuation technique with market-observable inputs are mainly interest rate swaps, currency swaps, credit default swaps and FX contracts. The most frequently applied valuation techniques include swap models using present value calculations, discounted at the daily corresponding forward rates. The models incorporate various inputs including FX rates, credit spread levels and interest rate curves. Credit derivative valuation models also require input as to the estimated probability of default and recovery value.

LOANS - LEVEL 2 AND 3

Loans are marked-to-market by applying market bid quotes observed on the secondary market. The quotes received from other banks or brokers and applied in the marked-to-market process are calibrated to actual market trades whenever possible.

In certain instance a discounted cash flow model is used based on various assumptions including market interest rates, market credit spread levels and assumptions regarding market liquidity, where relevant. Additional pricing reference points have been obtained by collecting spreads using primary transactions that are comparable with the relevant loans.

EQUITY INVESTMENTS (INCLUDING INVESTMENTS IN ASSOCIATES) - LEVEL 3

The fair value of investments in equity funds is determined based on the net asset value reported by the managers of these funds. These net asset values are analysed for reasonableness, so as to ascertain that the reported net asset value has been appropriately derived.

The fair value of equity investments is established by applying capitalisation multiples to maintainable earnings. Maintainable earnings are estimated based on the normalised last twelve months' Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). Capitalisation multiples are derived from the enterprise value and the normalised last twelve months EBITDA at the acquisition date. On each reporting date, the capitalisation multiple of each equity investment is compared against those derived from the publicly available enterprise value and earnings information of traded peers, where these can be identified. Peer capitalisation multiples are normalised for factors such as differences in regional and economic environment, time lags in earnings information and one-off gains and losses.

The resulting enterprise value is adjusted for net debt, non-controlling interests, illiquidity and management incentive plans to arrive at the fair value of the equity.

Financial liabilities at fair value through profit or loss (including trading)

OWN LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS - LEVEL 2

This portfolio was designated at fair value through profit or loss and is reported on the face of the balance sheet under the following headings:

- Debt securities in issue structured (financial liabilities at fair value through profit or loss);
- Subordinated liabilities (financial liabilities at fair value through profit or loss).

The fair value of the notes issued and the back-to-back hedging swaps (refer to note 24 Debt securities in issue structured (designated at fair value through profit or loss)) is determined using valuation models developed by a third party employing Monte Carlo simulation, lattice valuations or closed formulas, depending on the type of embedded derivative. These models use market observable inputs (e.g. interest rates, equity prices) for valuation of these structures.

For each class of own financial liabilities at FVtPL, the expected cash flows are discounted to present value using market observed credit spread rates.

33.3 TRANSFERS BETWEEN LEVELS

Transfers between levels are reviewed semi-annually at the end of the reporting period. During the first half of 2023, there were no transfers between level 1, level 2 or level 3 fair value measurements.

33.4 MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value:

in EUR millions	At 1 January 2023	Amounts recognised in the income statement	Purchases/ Additions	Sales	Settle-ments/ Disposals[1]	Transfers into level 3	At 30 June 2023
Financial assets at fair value through profit or loss (including trading)							
Debt investments	1	(0)	0	-	(0)	-	1
Equity investments (including investments in associates)	162	2	2	(9)	(33)	-	124
Loans	3	(2)	0	-	20	1	22
	165	**0**	**3**	**(9)**	**(13)**	**1**	**147**

1 Including dividend distribution

in EUR millions	At 1 January 2022	Amounts recognised in the income statement	Purchases/ Additions	Sales	Settle-ments/ Disposals	Transfers into level 3	At 31 December 2022
Financial assets at fair value through profit or loss (including trading)							
Debt investments	1	(1)	-	-	-	-	1
Equity investments (including investments in associates)	221	40	25	(40)	-	(84)	162
Loans	5	3	20	-	(1)	(24)	3
	228	**42**	**45**	**(40)**	**(1)**	**(108)**	**165**

Total gains or losses on level 3 financial instruments in the previous table are presented in the income statement and other comprehensive income as follows:

	For the period ended							
	30 June 2023				31 December 2022			
in EUR millions	Net trading income	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Invest-ment income	Total	Net trading income	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Invest-ment income	Total
Financial assets at fair value through profit or loss (including trading)								
Debt investments	(0)	-	-	(0)	(1)	-	-	(1)
Equity investments (including investments in associates)	1	-	1	2	0	-	39	40
Loans	-	(2)	-	(2)	-	3	-	3
	1	**(2)**	**1**	**0**	**(1)**	**3**	**39**	**42**

The amount in total gains or losses presented in the income statement for the period relating to the assets and liabilities held in level 3 until the end of the reporting period is given in the following table:

	For the period ended			
	30 June 2023		31 December 2022	
in EUR millions	Held at balance sheet date	Derecognised during the period	Held at balance sheet date	Derecognised during the period
Financial assets at fair value through profit or loss (including trading)				
Debt investments	-	(0)	-	(1)
Equity investments (including investments in associates)	(2)	3	38	1
Loans	(2)	-	3	-
	(3)	**3**	**41**	**1**

Recognition of unrealised gains and losses in level 3

Amounts recognised in the income statement relating to unrealised gains and losses during the year that relates to level 3 assets and liabilities are included in the income statement as follows:

	For the period ended					
	30 June 2023			31 December 2022		
in EUR millions	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total	Net gains or (losses) from assets and liabilities at fair value through profit or loss	Investment income	Total
Financial assets at fair value through profit or loss (including trading)						
Equity investments (including investments in associates)	-	36	36	-	17	17
Loans	(2)	-	(2)	3	-	3
	(2)	**36**	**34**	**3**	**17**	**20**

33.5 IMPACT OF VALUATION ADJUSTMENTS

The following table shows the movement in the aggregate profit not recognised when financial instruments were initially recognised (Day-1 profit).

in EUR millions	2023	2022
Movement schedule of Day-1 profit		
Balance at 1 January	**10**	**8**
Deferral of profit on new transactions	0	1
Recognised in the income statement during the period:		
Subsequent recognition due to amortisation	(0)	(2)
Subsequent remeasurement	6	2
Derecognition of the instruments	(1)	-
Exchange differences	0	(0)
Balance at 30 June	**15**	**10**

33.6 SENSITIVITY OF FAIR VALUE MEASUREMENTS TO CHANGES IN OBSERVABLE MARKET DATA

The following table shows the impact on the fair value of level 3 instruments of using reasonably possible alternative assumptions by class of instrument:

	For the period ended			
	30 June 2023		31 December 2022	
in EUR millions	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
Financial assets at fair value through profit or loss (including trading)				
Debt investments	1	-	1	-
Equity investments (including investments in associates)	124	6	162	8
Loans	22	1	3	0

In order to determine the reasonably possible alternative assumptions, NIBC adjusted key unobservable valuation technique inputs as follows:

- For the debt investments, NIBC adjusted the weighted average calculated model price by 100 basis points as a reasonably possible alternative outcome. The primary unobservable input in the calculated model price is the applicable credit spread;
- For equity investments, the material unobservable input parameters, such as capitalisation multiple, that are applied to the maintainable earnings to determine fair value are adjusted by 5%;
- For loans, the material unobservable input parameters, such as discounts on sale prices, a 5% deviation in fair value is a reasonably possible alternative assumption.

33.7 OWN CREDIT ADJUSTMENTS ON FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to own credit are recognised in Other comprehensive income and presented in the Statement of comprehensive income. The following table summarises the effects of own credit adjustments related to financial liabilities designated at fair value. Life-to-date amounts reflect the cumulative unrealised change since initial recognition.

in EUR millions	30-Jun-23	31-Dec-22
Recognised during the period (before tax)		
Unrealised gain/(loss)	11	55
Unrealised life-to-date gain/(loss)	121	109

A 10 basis point change in the weighted average credit spread used to discount future expected cash flows would change the fair value of financial liabilities at 30 June 2023 by EUR 1 million (31 December 2022: EUR 1 million).

33.8 NON-FINANCIAL ASSETS VALUED AT FAIR VALUE

NIBC's land and buildings (in-own-use) are valued based upon external appraisal at fair value through OCI, the carrying amount (level 3) as of 30 June 2023 is EUR 23.8 million (31 December 2022: EUR 25 million).

NIBC's investment property (available-for-rental) are valued based upon external appraisal at FVtPL, the carrying amount (level 3) as of 30 June 2023 is EUR 23.2 million (31 December 2022: EUR 26 million).

33.9 FAIR VALUE INFORMATION ON FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

The following table presents the carrying values and estimates fair vales of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis. The aggregation of the fair values presented below does not represent, and should not be construed as representing, the underlying value of NIBC. These fair values were calculated for disclosure purposes only.

	Fair value information at 30 June 2023					
			Fair value			
in EUR millions	Carrying value	Carrying value approximates fair value	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost						
Cash and balances with central banks	2,218	2,218	-	-	-	2,218
Due from other banks	580	580	-	-	-	580
Loans	6,045	29	-	5,980	-	6,009
Lease receivables	3	3	-	-	-	3
Mortgage loans	12,202	-	-	-	11,785	11,785
Securitised mortgage loans	230	-	-	-	213	213
Assets held for sale	47	47	-	-	-	47
Financial liabilities at amortised cost						
Due to other banks	410	410	-	-	-	410
Deposits from customers[1]	11,293	7,868	-	4,040	-	11,908
Own debt securities in issue	8,299	-	-	7,683	-	7,683
Debt securities in issue related to securitised mortgages	206	-	-	-	205	205
Subordinated liabilities	64	-	-	64	-	64

1 The carrying value of Deposits from customers includes the accumulated amount of fair value adjustments on hedged liabilities. These balances are the result of the macro hedge relationships between the hedging instruments and the hedged items, which also include, in addition to deposits form customers, the fixed rate wholesale funding, which is reported on a different line item (Own debt securities in issue).

	Fair value information at 31 December 2022					
		Carrying value approximates	Fair value			
in EUR millions	Carrying value	fair value	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost						
Cash and balances with central banks	2,087	2,087	-	-	-	2,087
Due from other banks	841	841	-	-	-	841
Loans	6,149	-	-	6,157	-	6,157
Lease receivables	5	-	-	5	-	5
Mortgage loans	11,749	-	-	-	11,039	11,039
Securitised mortgage loans	241	-	-	-	233	233
Assets held for sale	74	74	-	-	-	74
Financial liabilities at amortised cost						
Due to other banks	744	744	-	-	-	744
Deposits from customers[1]	11,227	8,380	-	3,370	-	11,750
Own debt securities in issue	7,850	-	-	7,173	-	7,173
Debt securities in issue related to securitised mortgages	221	-	-	-	221	221
Subordinated liabilities	66	-	-	66	-	66

1 The carrying value of Deposits from customers includes the accumulated amount of fair value adjustments on hedged liabilities. These balances are the result of the macro hedge relationships between the hedging instruments and the hedged items, which also include, in addition to deposits form customers, the fixed rate wholesale funding, which is reported on a different line item (Own debt securities in issue).

The valuation techniques used are the same as those disclosed in section 33.2 Valuation techniques.

34 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

At any time, NIBC has outstanding commitments to extend credit. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one to three months. Commitments extended to customers related to mortgages at fixed-interest rates or fixed spreads are hedged with interest rate swaps recorded at fair value. These commitments are designated upon initial recognition at fair value through profit or loss.

NIBC provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. Expirations are not concentrated in any period.

The contractual amounts of commitments and contingent liabilities are set out in the following table by category. In the following table, it is assumed that amounts are fully advanced.

The amounts for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

in EUR millions	30-Jun-23	31-Dec-22
Contract amount		
Committed facilities with respect to corporate loan financing	1,125	1,279
Committed facilities with respect to mortgage loans	540	295
Capital commitments with respect to equity investments	14	16
Guarantees granted (including guarantees related to assets held for sale)	25	21
Irrevocable letters of credit	39	33
	1,743	**1,643**

Refer to note 11 Credit loss expenses for the ECL-allowances on off-balance sheet financial instrument positions classified at AC of FVOCI.

The increase of the committed facilities with respect to mortgage loans is due to the increase in requests as a result of a upward trend in the interest mortgages.

These commitments and contingent liabilities have off-balance sheet credit risk because only commitment / origination fees and accruals for probable losses are recognised in the consolidated balance sheet until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part.

Claims, investigations, litigation or other proceedings or actions may have a material adverse effect on NIBC's business, results of operations, financial condition and prospects

NIBC is involved in a number of proceedings and settlement negotiations that arise with customers, counterparties, current or former employees or others in the course of its activities.

Proceedings may relate to, for example, alleged violations of NIBC's duty of care (zorgplicht) vis-à vis its (former) customers or the provision of allegedly inadequate services. Negative publicity associated with certain sales practices, compensation payable in respect of such issues or regulatory changes resulting from such issues could have a material adverse effect on NIBC's reputation, business, results of operations, financial condition and prospects. Dutch financial services providers are increasingly exposed to collective claims from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving unprecedented legal claims in respect of assumed mis-selling or other violations of law or customer rights.

While NIBC has made considerable investment in reviewing and assessing historic sales and 'know your customer' practices and in the maintenance of risk management, legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated. Assessments of the likelihood of claims arising from former activities are often difficult to accurately assess, due to the difficulties in applying more recent standards or court judgements to past practices.

Furthermore, many individual transactions are heavily fact-specific and the likelihood of applicability to more transactions of a court decision received on one particular transaction, is difficult to predict until a claim actually materialises and is elaborated. Changes in customer protection regulations and in interpretation and perception by both the public at large and governmental authorities of acceptable market practices might also influence client expectations.

One example of past practice that is currently being subjected to a review of the correctness of such behaviour relates to EURIBOR-based mortgages. In 2017 NIBC acquired a portfolio of EURIBOR-based mortgages. Such types of mortgages are currently the subject of individual and class action claims towards another financial institution within the Netherlands. The claimants have been contesting the contractual right of such mortgage lender to have adjusted the margin and alleged that the mortgage lender violated its duty of care towards the relevant customers. Given the similarity of the facts to the EURIBOR-based mortgages within the portfolio acquired by NIBC, NIBC is monitoring such developments and has notified the relevant clients that it will apply the final judicial outcome to the EURIBOR-based loans acquired by NIBC. The risks related to this legal issue were taken into account at the time of acquisition of this mortgage portfolio and factored into the consideration paid by NIBC at the time.

The costs and staffing capacity required to defend against future actions may be significant. Counterparties in these proceedings may also seek publicity, over which NIBC will have no control, and this publicity could lead to reputational harm to NIBC and potentially decrease customer acceptance of NIBC's services, regardless of whether the allegations are valid or whether NIBC is ultimately found liable. NIBC recognises provisions when losses with respect to such matters are more likely than not. Provisions are not recognised for matters for which an expected cash outflow cannot be reasonably estimated or that are not more likely than not to lead to a cash outflow.

Based upon legal advice, NIBC's management is of the opinion that, taking into consideration the facts as known at present, there is no on-going legal action being taken against NIBC which is likely to have a material adverse effect on the consolidated financial position or consolidated results of NIBC.

35 RELATED PARTY TRANSACTIONS

In the normal course of business, NIBC enters into various transactions with related parties. Related parties of NIBC include, amongst others, its shareholder(s) subsidiaries, associates and key management personnel. The transactions were made at an arm's length price. Transactions between NIBC and its subsidiaries meet the definition of related party transactions. However, as all of these transactions are eliminated on consolidation, they are not disclosed as related party transactions.

Transactions involving NIBC's shareholder
During the first half of 2023, there are no new significant related party relationships, as well as no significant related party transactions that are relevant for disclosure to get an understanding of the changes in the consolidated financial position and performance of NIBC, since the end of the last annual reporting period.

Transactions related to associates
At 30 June 2023 NIBC has EUR 38 million of loans outstanding to associates (31 December 2022: EUR 36 million) and EUR 4 million of undrawn loan commitments (31 December 2022: EUR 5 million), on which EUR 2 million income was earned (30 June 2022: EUR 3 million).

36 IMPORTANT EVENTS AND TRANSACTIONS

Sale of NIBC's CLO platform
In 2022 NIBC committed to a plan to sell its UK collateral management franchise and its NIBC Investment Partners franchise, including a significant part of the investment portfolio. The equity and debt investments in scope have been classified as assets held for sale. On 26 April 2023 NIBC sold its European Collateralised Loan Obligation management activities to Aegon Asset Management. The sale comprises NIBC's North Westerly CLO platform in its entirety, including the NIBC CLO team, collateral management of three outstanding CLOs with assets under management of approximately EUR 1.2 billion and associated risk retention positions in the three CLOs. The transaction has been closed on 21 June 2023. The combined impact of the sale of the UK collateral management franchise sale and the envisaged sale of NIBC's Investment Management franchise on the income statement over the first half of 2023 is not material.

37 SUBSEQUENT EVENTS

Subsequent events were evaluated up to 16 August, 2023 which is the date the Condensed Consolidated Interim Financial Report included in this Interim Report for the six-month period ended 30 June, 2023 was approved.

After reporting date, NIBC has reached agreement to sell its minority equity investment activities to funds capitalised by CommonWealth Investments (CWI). The proposed transaction represents a significant milestone in the completion of NIBC's strategic repositioning, implemented in November 2021.

The transaction comprises NIBC's equity investment activities, being a portfolio of minority investments in Dutch companies operating in various industrial sectors, under the management of the NIBC Investment Partners team. The portfolio will be acquired by funds capitalised by CWI and continued to be managed by the spun-off Investment Partners team.

Interim dividend
In consultation with the Supervisory Board, it was decided to propose payment of an interim dividend of EUR 1,10 per ordinary share, in total EUR 69 million from the net result over the first half of 2023. The pay-out from the net result over the first half of 2023 will not affect NIBC's capital ratios.

The Hague, 16 August 2023

Managing Board
Paulus de Wilt , Chief Executive Officer and Chairman
Reinout van Riel, Chief Risk Officer and Vice-Chairman
Claire Dumas, Chief Financial Officer
Anke Schlichting, Chief Technology Officer

Other information

EY
Building a better working world

Independent auditor's review report

To: the shareholders and supervisory board of NIBC Bank N.V.

Our conclusion

We have reviewed the condensed consolidated interim financial report included in the accompanying condensed interim report of NIBC Bank N.V. based in The Hague for the period from 1 January 2023 to 30 June 2023.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial report of NIBC Bank N.V. for the period from 1 January 2023 to 30 June 2023, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated interim financial report comprises:

- The consolidated balance sheet as at 30 June 2023
- The following consolidated statements for the period from 1 January 2023 to 30 June 2023: the income statement, the statement of comprehensive income, the condensed statement of changes in equity and the condensed cash flow statement
- The notes comprising material accounting policy information and selected explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed consolidated interim financial report section of our report.

We are independent of NIBC Bank N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and the supervisory board for the condensed consolidated interim financial report

Management is responsible for the preparation and presentation of the condensed consolidated interim financial report in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial report that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing NIBC Bank N.V.'s financial reporting process.

Building a better working world

Our responsibilities for the review of the condensed consolidated interim financial report

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of NIBC Bank N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of condensed consolidated interim financial report
- Making inquiries of management and others within NIBC Bank N.V.
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial report
- Obtaining assurance evidence that the condensed consolidated interim financial report agrees with, or reconciles to, NIBC Bank N.V.'s underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial report
- Considering whether the condensed consolidated interim financial report has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Amsterdam, 16 August 2023

Ernst & Young Accountants LLP

signed by R. Koekkoek

Alternative Performance Measures

NIBC uses, throughout its financial publications, alternative performance measures (**APMs**) in addition to the figures that are prepared in accordance with the IFRS, CRR and CRD IV. NIBC uses APMs to provide additional information to investors and to enhance the understanding of the results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS, CRR and CRD IV. All measures that are covered by IFRS, CRR and CRD IV are not considered to be APMs.

NIBC uses the following APMs:
- Dividend pay-out ratio, %
- Cost/income ratio, %
- Return on equity, %
- Return on Common Equity Tier 1 capital at 13%,%
- Return on assets, %
- Cost of risk (on average RWA), %
- Impairment ratio, %
- NPL ratio, %
- Impairment coverage ratio, %
- Loan-to-deposit ratio, %
- Net interest margin, %

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited. In accordance with the guidelines of the European Securities and Markets Authority (ESMA), the following information is given in regards to the above mentioned alternative performance measures:
1. Definition of the APM;
2. Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements

NIBC's most recent financial publications at any time are available online on our website.

DIVIDEND PAY-OUT RATIO

The dividend pay-out ratio is the fraction of net income for a period to be paid to NIBC's shareholders in dividends. It provides meaningful information on the portion of NIBC's profit that is distributed to its shareholders. The elements of the dividend payout ratio reconcile to the income statement of NIBC.

$$\text{Dividend pay-out ratio} = \frac{\text{Dividend pay-out}}{\text{Profit after tax}}$$

Dividend pay-out ratio	H1 2023	2022	2021
Dividend pay-out 2023	69		
Profit after tax attributable to the shareholders 2023	92		
Dividend pay-out ratio 2023 (%)	**75**		
Dividend pay-out 2022		136	
Profit after tax attributable to the shareholders 2022		136	
Dividend pay-out ratio 2022 (%)		**100**	
Dividend pay-out 2021			178
Profit after tax attributable to the shareholders 2021			178
Dividend pay-out ratio 2021 (%)			**100**

COST/INCOME RATIO

The cost/income ratio displays operating expenses as a percentage of operating income. The concept provides meaningful information on NIBC's operating efficiency. Cost/income ratio is calculated as the ratio (i) operating expenses before special items and (ii) operating income before special items. The elements of the cost/income ratio reconcile to the income statement of NIBC.

$$\text{Cost/income ratio} = \frac{\text{Operating expenses}}{\text{Operating income}}$$

Cost/Income ratio	H1 2023	2022	2021
Operating expenses 2023	110		
Operating income 2023	243		
Cost/income ratio 2023 (%)	**45**		
Operating expenses 2022		232	
Operating income 2022		431	
Cost/income ratio 2022 (%)		**54**	
Operating expenses 2021			235
Operating income 2021			497
Cost/income ratio 2021 (%)			**47**

RETURN ON EQUITY

Return on equity (**ROE**) measures net profit in relation to the book value of shareholder's equity. It provides meaningful information on the performance of Issuer's business, as well as on NIBC's ability to generate income from the equity available to it. Return on equity is calculated as the ratio of (i) (annualised) net profit attributable to parent shareholder to (ii) total shareholder's equity at the start of the financial year. All elements of the return on equity reconcile to NIBC's consolidated financial statement.

$$\text{Return on equity} = \frac{\text{Annualised net profit attributable to parent shareholder}}{\text{Post proposed dividend total shareholders equity at start of the financial year}}$$

Return on equity	H1 2023	2022	2021
Annualised net profit attributable to parent shareholder	184		
Total shareholder's equity at the start of financial year	1,751		
Return on equity 2023 (%)	**10.5**		
Annualised Net profit attributable to parent shareholder		136	
Total shareholder's equity at the start of financial year		1,713	
Return on equity 2022 (%)		**8.0**	
Net profit attributable to parent shareholder			178
Total shareholder's equity at the start of financial year			1,688
Return on equity 2021 (%)			**10.6**

RETURN ON CET 1 CAPITAL AT 13%

The return on Common Equity Tier 1 capital at 13% measures net profit in relation to the medium-term-objective of a minimum of 13% of Common Equity Tier 1 capital. It provides meaningful information on the performance of Issuer's business, as well as on NIBC's ability to generate income from the equity available to it. It is calculated as the ratio of (i) (annualised) net profit attributable to parent shareholder to (ii) the Common Equity Tier 1 capital at 13% at the beginning of the fiscal year.

$$\textbf{Return on Common Equity Tier 1 capital at 13\%} = \frac{\textbf{Annualised net profit attributable to parent shareholder}}{\textbf{Common Equity Tier 1 capital at 13\% at start of the financial year}}$$

Return on Common Equity Tier 1 capital at 13%	H1 2023	2022	2021
Annualised net profit attributable to parent shareholder	184		
Common Equity Tier 1 capital at 13% at start of the financial year	1,194		
Return on Common Equity Tier 1 capital at 13% 2023 (%)	**15.4%**		
Net profit attributable to parent shareholder		136	
Common Equity Tier 1 capital at 13% at start of the financial year		1,291[1]	
Return on Common Equity Tier 1 capital at 13% 2022 (%)		**10.6%**	
Net profit attributable to parent shareholder			178
Common Equity Tier 1 capital at 13% at start of the financial year			993
Return on Common Equity Tier 1 capital at 13% 2021 (%)			**18.0%**

1 RWAs at the start of the year include an increase due to the implementation of the DNB mortgage floor and an increase for the BtL mortgage portfolio under the standardised approach.

RETURN ON ASSETS

Return on assets (**ROA**) measures the net profit in relation to the total outstanding assets as of the beginning of the financial year. It provides meaningful information on NIBC's ability to generate income from the available assets. Return on assets is calculated as the ratio of (i) annualised net profit attributable to parent shareholder to (ii) total assets at the beginning of the financial year. All elements of the return on assets reconcile to NIBC's consolidated financial statements.

$$\textbf{Return on assets} = \frac{\textbf{Annualised net profit attributable to parent shareholder}}{\textbf{Total assets at the beginning of the year}}$$

Return on assets	H1 2023	2022	2021
Annualised net profit attributable to parent shareholder	184		
Total assets at the beginning of the financial year	22,692		
Return on assets 2023 (%)	**0.81**		
Net profit attributable to parent shareholder		136	
Total assets at the beginning of the financial year		22,658	
Return on assets 2022 (%)		**0.60**	
Net profit attributable to parent shareholder			178
Total assets at the beginning of the financial year			21,055
Return on assets 2021 (%)			**0.85**

COST OF RISK (ON AVERAGE RWA)

The cost of risk compares the total credit losses included in the income statement to the total risk weighted assets. This measure provides meaningful information on the issuer's performance in managing credit losses. The cost of risk is calculated as the ratio of (i) the sum of (annualised) impairments and the credit losses on loans (as part of net trading income) and to (ii) the total RWAs averaged over the current and previous reporting period. With the exception of the credit losses on fair value loans, the elements of the cost of risk reconcile to our financial statements and regulatory reporting. The credit losses on the fair value loans are calculated in accordance with the applicable financial reporting framework and form part of the net trading income.

$$\textbf{Cost of Risk} = \frac{\textbf{Annualised impairments and the credit losses on fair value loans (as part of net trading income)}}{\textbf{Average risk weighted assets (Basel III regulations)}}$$

Cost of risk (on average RWA)	H1 2023	2022	2021
Annualised credit losses on AC loans	21		
Annualised credit losses FVTPL loans	1		
Total credit losses	22		
Risk-weighted assets H1 2023	8,977		
Risk-weighted assets 2022	9,187		
Average risk-weighted assets H1 2023	9,082		
Cost of risk H1 2023 (%)	**0.24**		
Credit losses on AC loans		19	
Credit losses FVTPL loans		1	
Total credit losses		21	
Risk-weighted assets 2022		9,187	
Risk-weighted assets 2021		8,572	
Average risk-weighted assets 2022		8,880	
Cost of risk 2021 (%)		**0.23**	
Credit losses on AC loans			35
Credit losses FVTPL loans			3
Total credit losses			38
Risk-weighted assets 2021			8,572
Risk-weighted assets 2020			7,640
Average risk-weighted assets 2021			8,106
Cost of risk 2021 (%)			**0.47**

IMPAIRMENT RATIO

The impairment ratio compares impairments included in the income statement on loans, lease receivables and mortgage loans to the carrying value of these loans. The measure provides meaningful information on NIBC's performance in managing credit losses arising from its business. The impairment ratio is calculated as the ratio of (i) the (annualised) impairment expenses to (ii) the average loans, lease receivables and mortgages loans. All elements of the impairment ratio reconcile to NIBC's income statement and the consolidated balance sheet.

$$\textbf{Impairment ratio} = \frac{\textbf{Annualised impairment expenses}}{\textbf{Average financial assets regarding loans, lease receivables and mortgage loans}}$$

Impairment ratio	H1 2023	2022	2021
Annualised credit losses on amortised cost loans, lease receivables and mortgage loans	21		
Average financial assets regarding loans, lease receivables and mortgage loans (total)	18,312		
Impairment ratio H1 2023 (%)	**0.11**		
Credit losses on amortised cost loans, lease receivables and mortgage loans		19	
Average financial assets regarding loans, lease receivables and mortgage loans (total)		18,237	
Impairment ratio 2022 (%)		**0.11**	
Credit losses on amortised cost loans, lease receivables and mortgage loans			35
Average financial assets regarding loans, lease receivables and mortgage loans (total)			17,450
Impairment ratio 2021 (%)			**0.20**

NPL RATIO

The non-performing loans (**NPL**) ratio compares the non-performing exposure (as defined by the European Banking Authority) of loans, lease receivables, and mortgage loans to the total exposure of these loans. The measure provides meaningful information on the credit quality of NIBC's assets. The ratio is calculated by dividing the total of non-performing exposure for both loans, lease receivables and mortgage loans by the total exposure for loans, lease receivables and mortgage loans. The elements of the NPL ratio reconcile to the consolidated financial statements and the regulatory reporting of NIBC.

$$\textbf{NPL ratio} = \frac{\textbf{Non performing exposure (loans, lease receivables and mortgage loans)}}{\textbf{Total exposure (loans, lease receivables and mortgage loans)}}$$

NPL ratio	H1 2023	2022	2021
Non-performing exposure ABF and Non-core H1 2023	294		
Non-performing exposure Mortgages H1 2023	111		
Non-performing exposure Platforms H1 2023	-		
Non-performing exposure H1 2023	**405**		
Total Asset-Backed Finance and Non-core exposure H1 2023	6,111		
Total Mortgages exposure H1 2023	13,106		
Total Platforms exposure H1 2023	321		
Total exposure H1 2023	**19,538**		
NPL ratio H1 2023 (%)	**2.1**		
Non-performing exposure ABF and Non-core 2022		305	
Non-performing exposure Mortgages 2022		98	
Non-performing exposure Platforms 2022		-	
Non-performing exposure 2022		**403**	
Total Asset-Backed Finance and Non-core exposure 2022		6,502	
Total Mortgages exposure 2022		12,650	
Total Platforms exposure 2022		252	
Total exposure 2022		**19,404**	
NPL ratio 2022 (%)		**2.1**	
Non-performing exposure corporate loans 2021			346
Non-performing exposure lease receivables 2021			31
Non-performing exposure mortgage loans 2021			121
Non-performing exposure 2021			**498**
Total corporate loans drawn and undrawn 2021			7,188
Total lease receivables 2021			31
Total retail client assets 2021			11,665
Total exposure 2021			**18,884**
NPL ratio 2021 (%)			**2.6**

IMPAIRMENT COVERAGE RATIO

The impairment coverage ratio compares impaired amounts on loans, lease receivables and mortgage loans to the total impaired exposures, providing meaningful information on the residual risk related to NIBC's impaired assets. The ratio is calculated by dividing the total impairments on loans, lease receivables and mortgage loans by the total exposure of impaired loans, lease receivables and mortgage loans. The elements of the impaired coverage ratio reconcile to NIBC's consolidated financial statements.

$$\textbf{Impairment coverage ratio} = \frac{\textbf{Total stage 3 and POCI impairments on loans, lease receivables and mortgage loans}}{\textbf{Total impaired exposure of loans, lease receivables and mortgage loans}}$$

Impairment coverage ratio	H1 2023	2022	2021
Balance stage 3 and POCI credit losses on loans, leases and mortgages	169		
Total impaired exposure H1 2023	429		
Impairment coverage ratio H1 2023 (%)	**39**		
Balance stage 3 and POCI credit losses on loans, leases and mortgages		155	
Total impaired exposure 2022		409	
Impairment coverage ratio 2022 (%)		**38**	
Balance stage 3 and POCI credit losses on loans, leases and mortgages			152
Total impaired exposure 2021			538
Impairment coverage ratio 2021 (%)			**28**

LOAN-TO-DEPOSIT RATIO

The loan-to-deposit ratio compares NIBC's loans to customers to its deposits from customers. It provides meaningful information on the issuer's funding and liquidity position. The loan-to-deposit ratio is calculated by dividing the total loans, lease receivables and mortgage loans by the deposits from customers. The elements of the loan-to-deposit ratio reconcile to NIBC's balance sheet

$$\textbf{Loan to deposit ratio} = \frac{\textbf{Financial assets regarding loans, lease receivables and mortgage loans}}{\textbf{Deposits from customers}}$$

Loan to deposit ratio	H1 2023	2022	2021
Financial assets at amortised cost: loans and lease receivables	6,048		
Financial assets at amortised cost: mortgages loans	12,202		
Financial assets at amortised cost: securitised mortgages loans	230		
Financial assets at fair value through profit or loss: loans	161		
Financial assets regarding loans, lease receivables and mortgage loans (total)	18,641		
Deposits from customers	11,293		
Loan to deposit ratio 2023 (%)	**165**		
Financial assets at amortised cost: loans and lease receivables		6,149	
Financial assets at amortised cost: mortgages loans		11,749	
Financial assets at amortised cost: securitised mortgages loans		241	
Financial assets at fair value through profit or loss: loans		143	
Financial assets regarding loans, lease receivables and mortgage loans (total)		18,282	
Deposits from customers		11,227	
Loan to deposit ratio 2022 (%)		**163**	
Financial assets at amortised cost: loans and lease receivables			6,390
Financial assets at amortised cost: mortgages loans			11,659
Financial assets at amortised cost: securitised mortgages loans			281
Financial assets at fair value through profit or loss: loans			148
Financial assets regarding loans, lease receivables and mortgage loans (total)			18,478
Deposits from customers			11,333
Loan to deposit ratio 2021 (%)			**163**

NET INTEREST MARGIN

The net interest margin is a measure to display the difference between interest income and the amount of interest paid out to lenders, relative to the amount of interest-earning assets. It is similar to the gross margin (or gross profit margin) of non-financial companies and provides meaningful information on the contribution of the Issuer's business to its operating income. It is calculated as the ratio of (i) the net interest income from the last 12 months and (ii) the 12 months moving average interest bearing assets. Interest bearing assets equal the total assets from the consolidated balance sheet excluding equity investments, derivatives, investments in associates, property, plant and equipment and other assets. The net interest income reconciles to the income statement of NIBC. The average interest bearing assets cannot be directly reconciled with the financial publications of NIBC as the monthly figures are not disclosed, however the monthly figures are prepared in accordance with the applicable financial reporting framework.

Since the denominator of the net interest margin calculation is subject to volatility in the balance, a moving average provides more reliable information on the underlying developments. The moving average however does not tie back to disclosed balances.

$$\text{Net interest margin} = \frac{\text{Sum net interest income last 12 Months}}{\text{12 Months average interest bearing assets}}$$

Net interest margin	H1 2023	2022	2021
Sum net interest income last 12 months H1 2023 and H2 2022	399		
12 Month average interest bearing assets	22,392		
Net interest margin H1 2023 (%)	**1.78**		
Sum net interest income last 12 months 2022		385	
12 Month average interest bearing assets		22229	
Net interest margin 2022 (%)		**1.73**	
Sum net interest income last 12 months 2021			361
12 Month average interest bearing assets			20,950
Net interest margin 2021 (%)			**1.72**

Disclaimer

Presentation of information

The Annual Accounts of NIBC Bank N.V. ('NIBC') are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with Title 9 of Book 2 of The Dutch Civil Code. In preparing the financial information in this Condensed Consolidated Interim Report for the six months period ended 30 June 2023 (the 'Financial Report'), the same accounting principles are applied as in NIBC's 2022 Annual Accounts, save for any change described in the accounting policies. The figures in this Financial Report have been reviewed by NIBC's external auditor. Small differences are possible in the tables due to rounding.

Cautionary statement regarding forward-looking statements

Certain statements in this Financial Report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC's business, results of operations, financial condition, plans, objectives, goals, strategies, future events, future revenues and/or performance, capital expenditures, financing needs, plans or intentions, as well as assumptions thereof. These statements are based on NIBC's current view with respect to future events and financial performance. Words such as 'believe', 'anticipate', 'estimate', 'expect', 'intend', 'predict', 'project', 'could', 'may', 'will', 'plan' and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve uncertainties and are subject to certain risks, including, but not limited to (i) general economic conditions, in particular in NIBC's core and niche markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets, (ix) changes in law and regulations, including taxes, (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives and (xii) the risks and uncertainties as addressed in this Financial Report, the occurrence of which could cause NIBC's actual results and/or performance to differ from those predicted in such forward-looking statements and from past results.

The forward-looking statements speak only as of the date hereof. NIBC does not undertake any obligation to update or revise forward-looking statements contained in this Financial Report, whether as a result of new information, future events or otherwise. None of NIBC, its directors, officers and/or employees make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.