



Interim Results 2022

18 August 2022

Agenda

Table of contents

1. AT A GLANCE
H1 2022

2. FINANCIAL RESULTS
H1 2022

3. Q&A

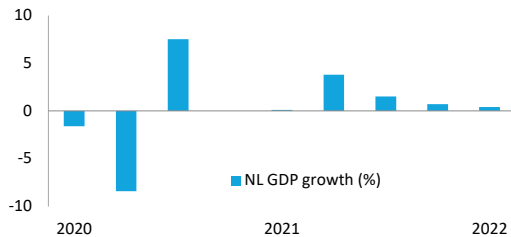


AT A GLANCE H1 2022

THE WORLD AROUND US

Clouds of uncertainty around economic outlook

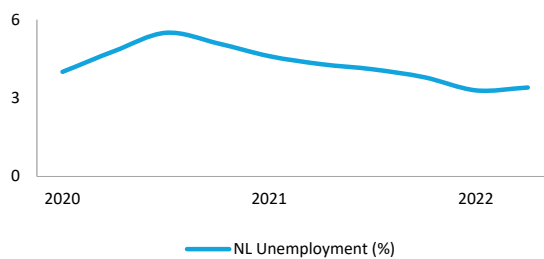
DUTCH ECONOMY STILL STRONG...¹



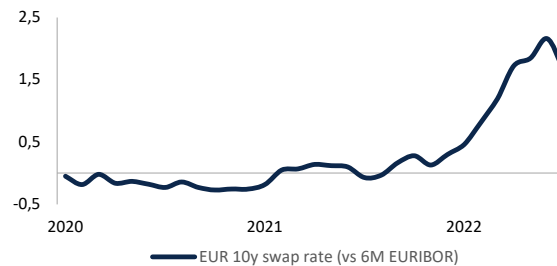
HIGH INFLATION RATES²...



...WITH OVERHEATED LABOR MARKET



...LEADING TO RISING INTEREST RATES



DUTCH ECONOMY, SOLID FUNDAMENTALS

- International and highly competitive economy
- Less severely impacted by Covid-19 than other European countries
- Low debt-to-GDP ratio of 50.7%
- Resilient housing market

VOLATILE FIRST HALF OF 2022

- High inflation worldwide, especially in the United States and major European economies has triggered central bank rate hikes
- Soft economic landing increasingly unlikely, as inflation hits consumer and business confidence
- Geopolitical tensions and negative economic spillovers from the war in Ukraine, most notably observed in the energy market

NIBC PERFORMANCE H1 2022

Strong performance with 10% growth in core business

- **NIBC had a strong half year with an underlying net profit of EUR 86 million (H1 2021: EUR 91 million) before a non-recurring net loss of EUR 22 million related to the sale of non-core portfolios.**
- **Strong performance of the core portfolios:**
 - Mortgage portfolio grew 9% to EUR 24 billion, including Originate-to-Manage business
 - Asset-Backed & Specialty Finance segment increased by 15%
 - Platforms Beequip and yesqar showed 23% growth
- **Interest income equals EUR 209 million (+11%), driven by positive developments of our portfolio volumes and funding costs.**
- **The cost/income ratio of 48% includes continued investments in our IT environment, process improvements and strategic projects.**
- **Credit losses amount to EUR 20 million in H1 2022 (from EUR 14 million in H1 2021), including an additional management overlay of EUR 5 million.**
- **Strong capital position with a CET 1 ratio of 17.7% (2021: 18.4%), absorbing new regulatory requirements and an ROE of 9.6%.**

SUCCESSFUL EXECUTION OF FOCUSED STRATEGY

Entrepreneurial asset financier for individuals and companies



MORTGAGES

- Private housing (on-balance)
- Originate-to-manage (off-balance)
- Rental property (buy-to-let)



ASSET-BACKED & SPECIALISED FINANCE

- Commercial real estate
- Vessels (Shipping)
- Infrastructure
- CLOs and providing minority equity investments



PLATFORMS

- Equipment leasing (Beequip)
- Automotive businesses (yesqar)

MORTGAGES

Strong origination results in growth mortgages portfolio of 9%

MORTGAGE LOAN ORIGATION



STRONG ORIGATION

3.4bn

GROWTH



MARKET SHARE ORIGATION

4.3%

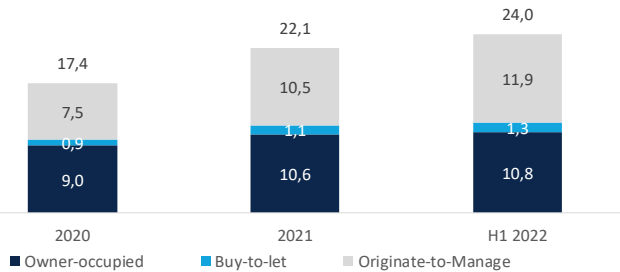
CLIENTS



- Number of clients grew with 3% since FY 2021
- Total number of clients 182k

MORTGAGE LOAN PORTFOLIO

In EUR bn



LOW RISK PORTFOLIO

- Over the first half year, we saw our mortgage loan portfolio grow with 9% to EUR 24 billion
- Strong growth OTM portfolio from EUR 10.5 billion to EUR 11.9 billion
- Total mandate OTM EUR 15.4 billion
- Growth in the Buy-to-let portfolio of 18%

AWARD WINNING & NOMINATED

- Continued investment in client service is being recognised: both NIBC Direct and Lot Hypotheken have been awarded 'best mortgage lenders of 2022'
- 'Green' mortgage label Lot nominated for the Green Lotus Awards

ASSET-BACKED & SPECIALTY FINANCE

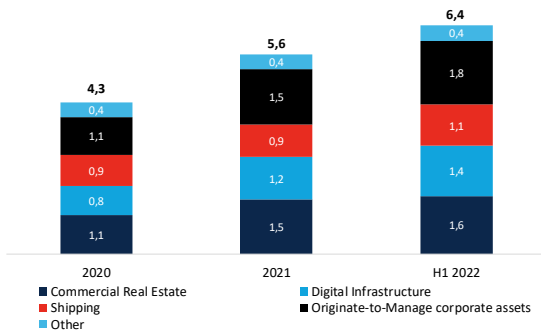
Strong performance in core portfolios

ASSET-BACKED ORIGINATION



AB&SF PORTFOLIO

In EUR bn



STRONG GROWTH IN CORE PORTFOLIOS

- Increase of 15% mainly driven by a strong origination in asset classes
- Within CRE, we have increased our impact on transition of the build environment
- Within Digital Infrastructure, we have expanded our scope and included energy transition
- Our Shipping portfolio passed the EUR 1 billion milestone in the first half year
- OIMIO - a commercial real estate offering for small Dutch SMEs, originated more than EUR 63m in the first half year of 2022
- NIBC Investment Partners continued supporting clients like Vadeko, Rolande and welcomed new client NexView
- Manager of innovative and award-winning ESG CLO North Westerly VII

DERISKING NON-CORE ACTIVITIES

- Major step taken in further de-risking the bank's balance sheet.
- Successful sale of our Leveraged Finance and Offshore Energy portfolios. With the sale of our Offshore Energy portfolio, we took an important step towards our net-zero ambition by putting our promises in the Climate Action Plan into practice
- Going forward, we are carefully reducing our remaining non-core portfolios, in active dialogue with our clients.

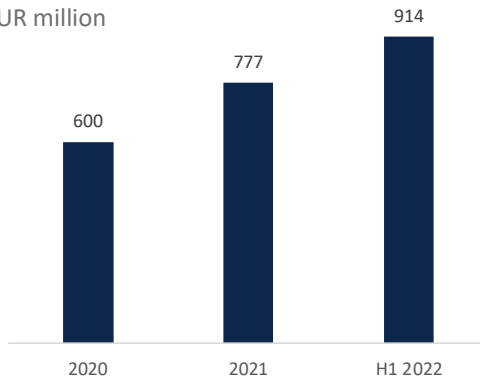
PLATFORMS

Entrepreneurial spirit of growth ventures



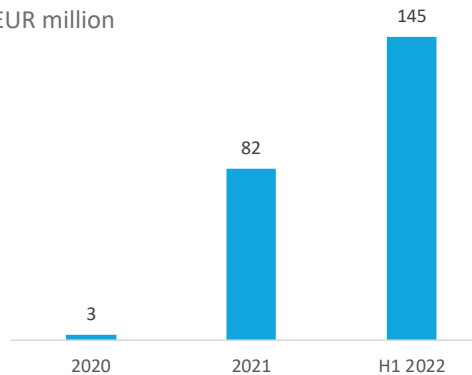
BEEQUIP PORTFOLIO

In EUR million



YESQAR PORTFOLIO

In EUR million



CONTINUED STRONG GROWTH

- Beequip, the largest alternative financier of equipment in the Netherlands, and yesqar, a financier to the automotive businesses, continued strong growth with an increase of 23%
- In the first half of 2022 our platforms continued to show strong growth with exposure passing EUR 1 billion, driven by their differentiating client offering
- The platforms segment closed H1 2022 with a net profit of EUR 9 million a significant increase as compared to previous year (H1 2021: EUR 5 million)

ESG EMBEDDED IN OUR STRATEGY

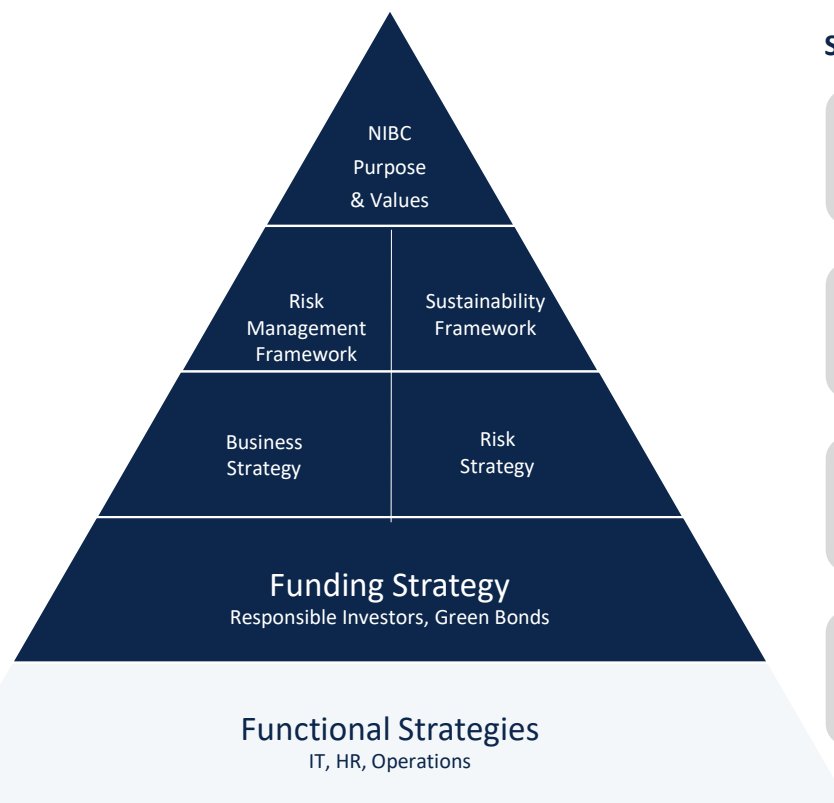
Supporting clients in their transition towards a sustainable future

2022 RESULTS

- Announcement of sale of remaining Offshore Energy portfolio (July)
- Lot Hypotheken nominated for Golden Lotus award (July)
- North Westerly VII ESG CLO awarded Global Capital ESG Deal of the Year (May)
- NIBC joins UN Principles for Responsible Investment UN PRI (April)
- NIBC 2021 Annual Report: NIBC's first EU Taxonomy disclosures (March)

IT STARTS WITH US

- Clear tone from the top
- Well-defined governance structure and oversight
- Compliance with applicable ESG regulations and guidelines
- Comprehensive sustainability policies and framework in place
- Carbon neutral in own operations since 2022




STRONG ESG RATINGS

ISS
 **C+/Prime**

SUSTAINALYTICS
 **22/Medium Risk**
 199 out of 1006

MSCI
 **AA**

REPRISK
 **AA**

FINANCIAL RESULTS

H1 2022

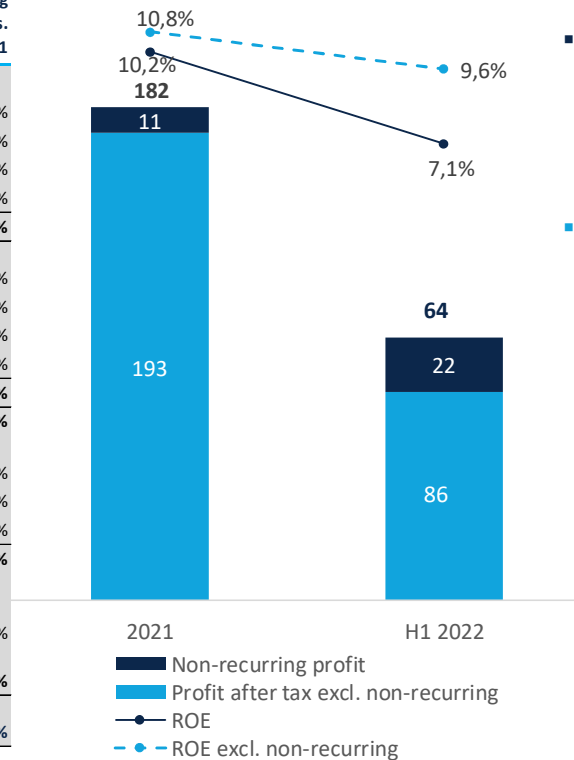
INCOME STATEMENT

Strong half year with an underlying net profit of EUR 86 million

INCOME STATEMENT

in EUR millions	ex. non-recurring		H1 2022 vs. H1 2021		ex. non-recurring H1 2022 vs. H1 2021	
	H1 2022	H1 2022	H1 2021	H1 2021	H1 2021	H1 2021
Net interest income	212	209	188	13%	11%	
Net fee and commission income	24	24	21	16%	16%	
Investment income	13	13	43	-71%	-71%	
Other income	(19)	21	(8)	(>100%)	>100%	
Operating income	230	267	244	-6%	9%	
Personnel expenses	51	51	54	-5%	-5%	
Other operating expenses	63	61	44	43%	39%	
Depreciation and amortisation	2	2	3	-15%	-15%	
Regulatory charges and levies	14	14	13	9%	9%	
Operating expenses	130	129	113	15%	14%	
Net operating income	99	139	131	-24%	6%	
Losses / (gains) on disposal group companies	0	0	-	0%	0%	
Impairments of financial and non financial assets	10	20	14	-24%	44%	
Tax	19	26	21	-11%	27%	
Profit after tax	70	92	97	-28%	-5%	
Profit attributable to non-controlling shareholders	6	6	6	0%	0%	
Profit after tax attributable to shareholders of the company	64	86	91	-29%	-5%	
Return on equity	7,1%	9,6%	10,2%	-30%	-6%	

PROFIT AFTER TAX AND RETURN ON EQUITY



COMMENTS

- NIBC's profitability is a reflection of the successful execution of our business strategy, as announced in November 2021. NIBC had a strong half year with an underlying net profit of EUR 86 million (H1 2021: EUR 91 million) before a non-recurring net loss of EUR 22 million related to the sale of non-core portfolios
- Non-recurring items relate to the sale of our Offshore Energy and Leveraged Finance portfolios. The non-recurring items consist of the following items:
 - interest income related to the portfolios (EUR 3 million)
 - a transaction loss in other income (EUR 41 million)
 - a release in credit loss expenses (EUR 9 million)
 - other operating expenses (EUR 2 million)

FOCUSED TRANSFORMATION

Continued de-risking of our portfolios following our strategy

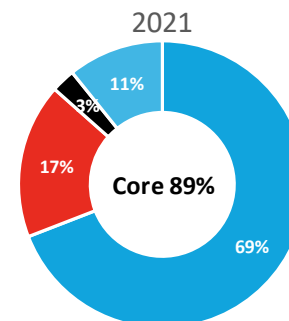
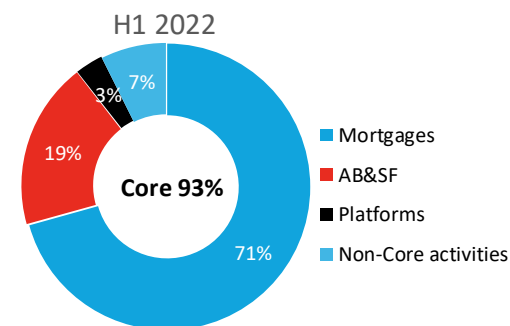
NIBC PORTFOLIO

in EUR millions	H1 2022	FY 2021	H1 2022 vs. FY 2021
Owner-occupied mortgage loans – Netherlands	10.796	10.556	2%
Buy-to-let mortgage loans	1.293	1.100	18%
Owner-occupied mortgage loans – Germany	8	9	-18%
Originate-to-Manage mortgage loans	11.912	10.456	14%
Total Mortgages	24.008	22.121	9%
Commercial Real Estate	1.426	1.379	3%
OIMIO	201	144	39%
Digital Infrastructure	1.415	1.190	19%
Shipping	1.143	914	25%
Investment loans	187	157	20%
Equity investments	249	259	-4%
Originate-to-Manage assets	1.782	1.547	15%
Total Asset-Backed & Specialty Finance	6.402	5.591	15%
Beequip (lease receivables)	914	777	18%
yesqar	145	82	77%
Total Platforms	1.059	858	23%
Non-core loans	2.479	3.424	-28%
Non-core lease receivables	31	31	0%
Total Non-Core activities	2.509	3.454	-27%
Total	33.978	32.024	6%



COMMENTS

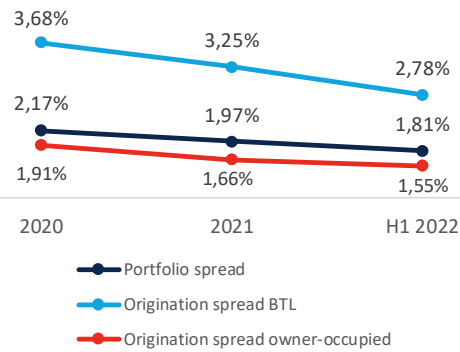
- The strategy has shifted to a focus on three core-activities, 1) Mortgages, 2) Asset-backed & Specialty Finance, 3) Platform financing



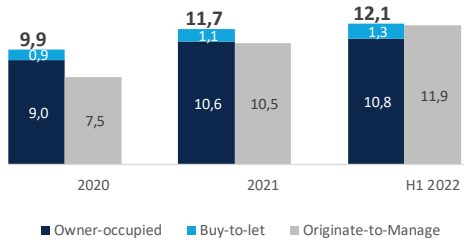
VOLUMES AND SPREADS CORE PILLARS

Continued focus on building a more granular portfolio

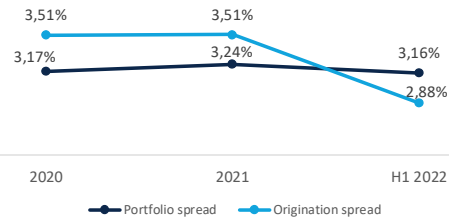
MORTGAGES VOLUMES AND SPREADS



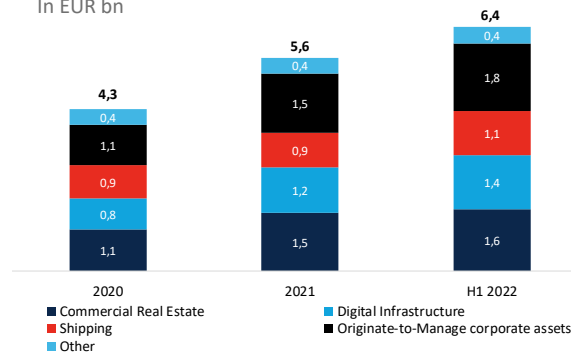
In EUR bn



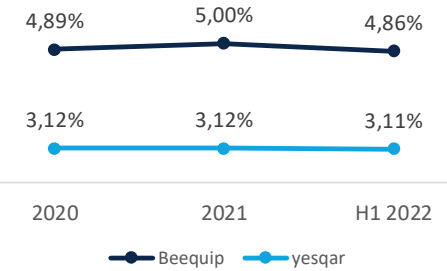
AB&SF VOLUMES AND SPREADS



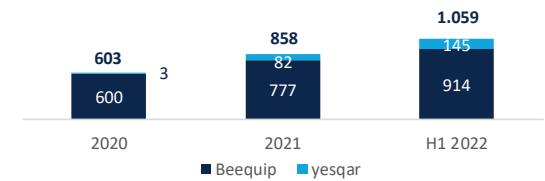
In EUR bn



PLATFORMS VOLUMES AND SPREADS



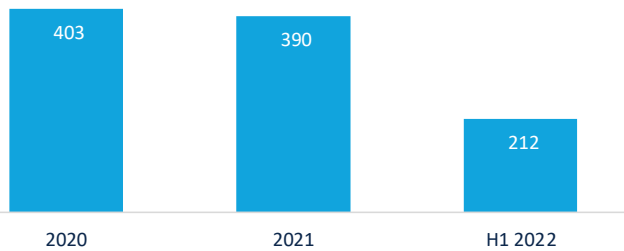
In EUR million



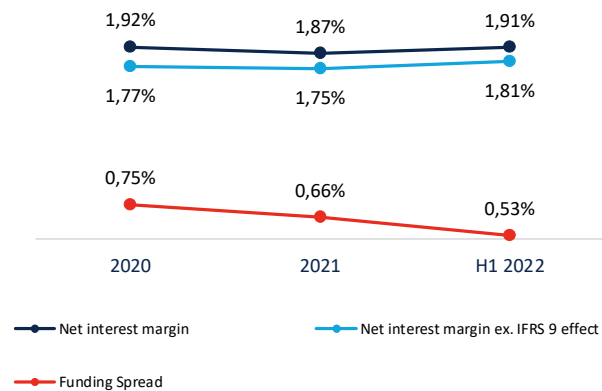
NET INTEREST INCOME

Resilient net interest income, increased with 11%

NET INTEREST INCOME
(EUR millions)



NET INTEREST MARGIN & FUNDING SPREAD



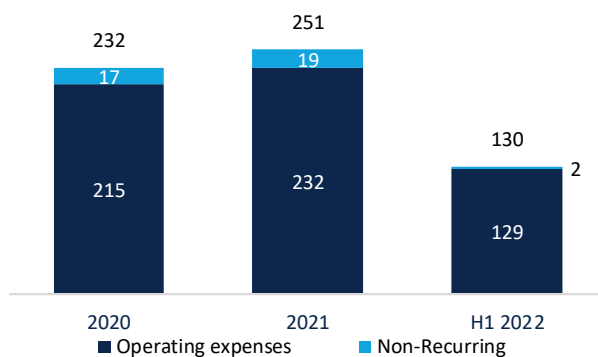
COMMENTS

- Increased net interest income of EUR 212 million compared to H1 2021 (EUR 188 million) reflecting strong origination in core portfolios
- Funding costs have decreased to 53 basis points. This downward trend is driven by decreasing spreads for deposits and the issuance of two covered bonds, partially offset by increasing costs for unsecured wholesale funding

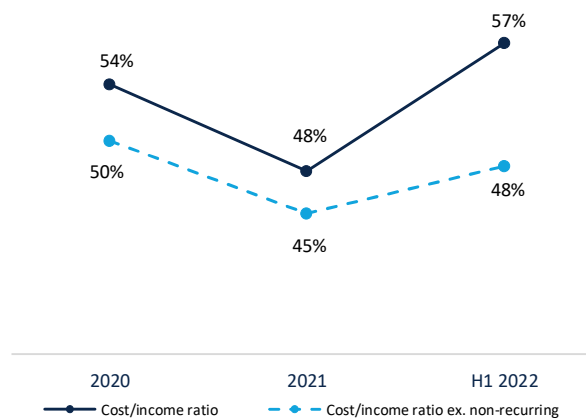
OPERATING EXPENSES

Fully loaded cost/income ratio moving towards ambition level

DEVELOPMENT OF OPERATING EXPENSES



COST/INCOME RATIO



COMMENTS

- Operating expenses have increased in H1 2022 to EUR 130 million compared to EUR 113 million in H1 2021. This increase relates to:
 - Higher costs for external advisors on various projects e.g. integration Finqus portfolio
 - Increased ICT expenses
 - High origination levels in our Mortgages segment, resulting in higher expenses for outsourced business processes
- EUR 2 million non-recurring legal expenses relate to the sale of our Offshore Energy and Leveraged Finance portfolios
- Excluding non-recurring items our cost/income ratio at 48% is close to our medium-term objective

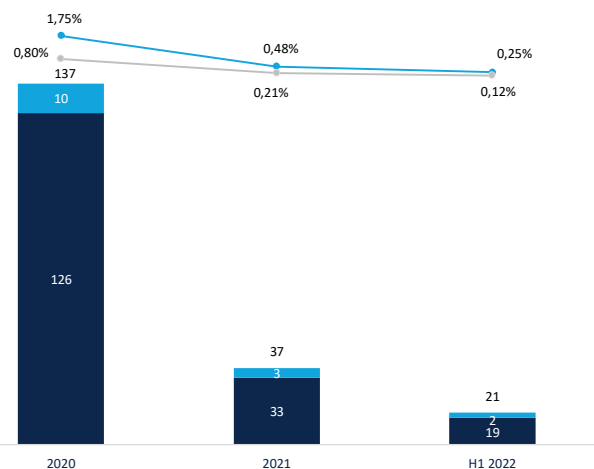
CREDIT LOSS EXPENSE

Significant improvement of credit loss expense

DEVELOPMENT OF COST OF RISK AND IMPAIRMENT RATIO¹

KEY FIGURES ASSET QUALITY

COMMENTS



■ Credit losses FVtPL loans ■ Credit losses on AC loans —●— Cost of risk¹ —●— Impairment ratio²

	H1 2022	2021	2020
Impairment coverage ratio	34%	29%	36%
Non-performing loan ratio	2,2%	2,5%	2,0%
Exposure corporate arrears > 90 days	1,5%	1,6%	2,1%
Exposure residential mortgage loans arrears > 90 days	0,0%	0,1%	0,2%
LtV Dutch residential mortgage loans	54%	56%	64%
LtV BTL mortgage loans	54%	53%	53%

- Credit losses have increased compared to year-end 2021, and amount to EUR 21 million at H1 2022.
- The sale of our Offshore Energy and Leveraged Finance portfolio resulted in a release of EUR 9 million credit losses
- Following increased uncertainty in financial markets IBC continues to apply a management overlay (EUR 20 million) to reflect the risks not sufficiently covered in its ECL models
- This overlay is not allocated to individual exposures

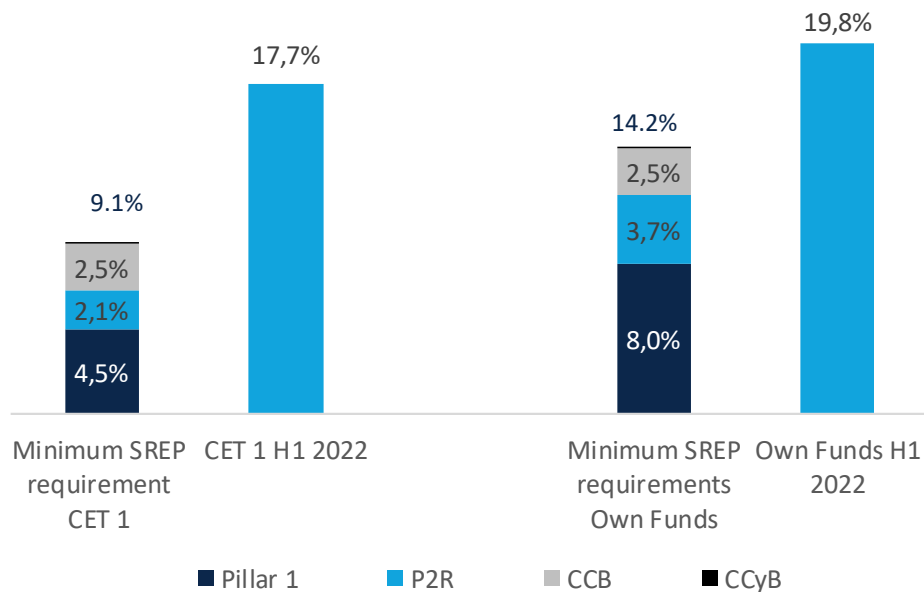


1: Cost of risk = annualized credit loss expense and other credit losses divided by average RWAs
 2: Impairment ratio = annualized credit loss expense divided by average assets loans & mortgages

CAPITAL POSITION

Strong solvency ratios

CAPITAL RATIOS COMPARED TO REQUIREMENTS EXCLUDING P2R



COMMENTS

- NIBC's capital position is reflected in a CET 1 ratio of 17.7% at H1 2022 (18.4% at year-end 2021)
- In the Mortgages segment, the implementation of the DNB mortgage floor resulted in an increase in the effective risk weight for Dutch owner-occupied mortgage loans under the internal ratings-based approach. In addition, NIBC has increased the risk weights for BtL mortgages under the standardised approach. Lastly, a significant part of the acquired Finqus portfolio has been included in the internal ratings-based approach, resulting in a decrease of risk weighted assets. The combined effect on the CET 1 ratio is a decrease of 2.0%-points
- Derecognition of the Offshore Energy and Leveraged Finance portfolios has led to a release of EUR 375 million risk weighted assets, resulting in an increase of the CET 1 ratio of 0.6%-point. Final settlement of the transactions will further reduce risk weighted assets by approximately EUR 170 million

FULL YEAR PERFORMANCE

Strong performance shown in H1 2022

METRICS	MEDIUM-TERM OBJECTIVES	H1 2022	
		Recurring	Ex. non-recurring
Return on Equity (Holding)	10 - 12%	7.1%	9.6%
Cost-to-income (Holding)	< 45%	57%	48%
CET 1 (Holding)	≥ 14%	17.7%	
Dividend pay-out (Holding)	≥ 50%	50%	
Rating (Bank)	BBB+	BBB+ Stable	

COMMENTS

- Return on equity excluding non-recurring items is close to our medium-term objection of 10%.
- Fully-loaded cost-to-income ratio of 57% includes non-recurring items of EUR 22 million. Excluding these items cost-to-income ratio is 48%
- Strong CET 1 ratio at H1 2022 of 17.7%, displaying a significant buffer above minimum SREP requirements
- The Managing Board proposes to declare an interim dividend of EUR 0.21 per share for the first half year of 2022. This translates to a distribution to shareholders of EUR 32 million or an interim dividend pay-out of 50%.

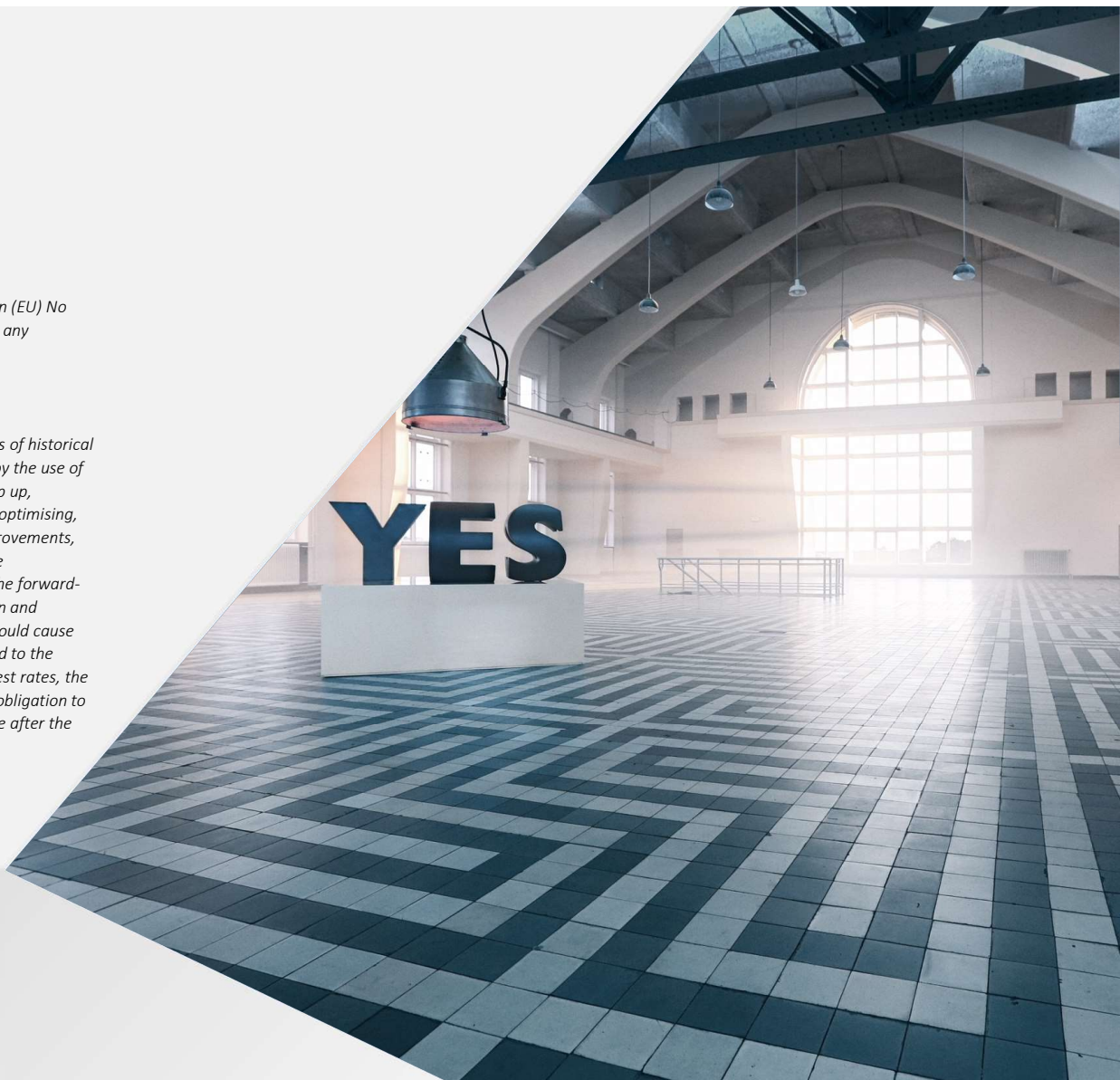


Notes to the presentation

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

Forward-looking Statements

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



Q&A