PRESS RELEASE

NIBC

The Hague, 31 August 2016

Moving forward: NIBC's net profit H1 2016 up 33% to EUR 44 million

- **Continued momentum and growth of the client base fuels 6% increase in operating income;**
- **7% growth in net interest income, as net interest margin further increased;**
- **Operating expenses slightly decreased 2% compared to H1 2015 due to stringent cost control; total cost up 8% due to inclusion regulatory cost;**
- **Expanded product offering with acquisition of SNS Securities (renamed to NIBC Markets), start-up of BEEQUIP equipment leasing and Buy-to-let continued strong growth;**
- **Special items of EUR 4 million (net of tax) include both the initial gain from badwill following the acquisition of NIBC Markets and losses following the bankruptcy of a client in the retail sector; and**
- **Fitch revised its rating outlook for NIBC to positive in June.**

Statement of the CEO, Paulus de Wilt:

"Looking back on the first half of 2016, we see some signs of a recovering economy, albeit fragile and surrounded by uncertainty. Developments in the energy and shipping markets, the sustained low interest rate climate and the Brexit have significantly impacted economic activity in our markets.

Nevertheless, we have provided 3% more drawn credit to our clients. The total corporate loan book remained relatively stable with a loan exposure (drawn and undrawn) of EUR 9.1 billion, as new loan production of EUR 1.2 billion offset both repayments and negative currency effects of EUR 0.2 billion. Still, I believe this is the effect of the professionalism and entrepreneurial spirit of our employees that ultimately lead to inventive solutions for our corporate clients. New transactions contributed positively to the quality of the corporate loan book, with an improved risk-reward balance. New origination also includes the growth of our new leasing activities of BEEQUIP. NIBC Markets adds complementary product offering which will increase our possibilities to support our clients, and consequently support further growth.

Origination of retail mortgages amounted to EUR 0.5 billion. As the market demands more and more longer maturities, which do not match NIBC's natural funding position, we have had limited appetite for 20 year mortgages and have focused us more on 10 year non-NHG mortgages and our Buy-to-let-product. Our clients appreciate the Buy-to-let product offering resulting in a strong new origination volume of more than EUR 100 million in the first half year.

On the funding side, we have been active in various parts of the market. We have successfully issued our first 10 year pass-through covered bond, returned to the senior unsecured market with a EUR and a CHF issue and our clients, both consumer and institutional, entrusted more deposits to us again. Actively managing our funding mix has helped us to lower the effective funding rate of the portfolio, supporting a further increase of our net interest margin.

These achievements have contributed to a solid financial performance, with net profit up 33% to EUR 44 million based on growth of our net interest income and controlled operating expenses. With this basis, we continue to move forward with our expanded product offering to be even better positioned to support our clients with financial solutions at their decisive moments."

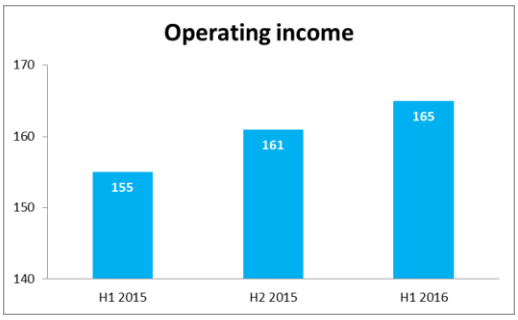
NIBC Bank H1 2016 financial results

euro millions	First half 2016	First half 2015	Change (%)	Full year 2015
Net interest income	149	139	7	286
Net fee and commission income	11	16	(31)	36
Investment income	9	6	50	4
Net trading income	(4)	(6)	33	(12)
Other operating income	1	0		1
Operating Income	**165**	**155**	**6**	**316**
Personnel expenses	(44)	(44)	0	(91)
Other operating expenses	(37)	(39)	(5)	(76)
Depreciation and amortisation	(4)	(3)	33	(6)
Regulatory charges	(9)			(4)
Operating Expenses	**(93)**	**(86)**	**8**	**(176)**
Net Operating Income	**72**	**69**	**4**	**140**
Impairments	(22)	(23)	(4)	(63)
Tax	(10)	(12)	(17)	(6)
Net profit NIBC Bank before special items	**40**	**33**	**21**	**71**
Special Items (net of tax)	4	-		
Net profit NIBC Bank after special items	**44**	**33**		

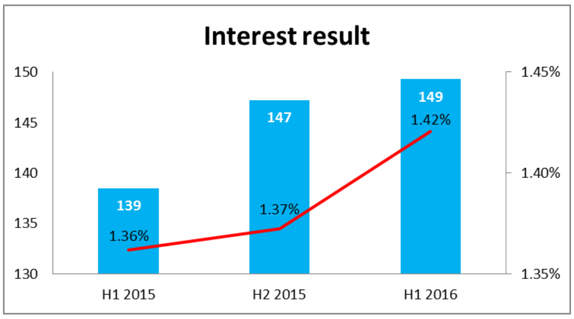
- *The income statement differs from the one presented in the Condensed Consolidated Interim Financial Report (included in the Interim Report 2016) due to the treatment of special items. This only affects the presentation of the income statement and not the bottom-line profit figures.*
- *Compared to the presentation in the Interim Report 2015, servicing expenses for mortgage and retail savings have been reclassified from net interest income to other operating expenses. This concerns EUR 9 million of servicing expenses in H1 2015.*
- *Small differences may occur in this table due to rounding.*

NIBC posted a solid first half year result. Net profit before special items increased by 21% to EUR 40 million in the first half of 2016, compared to EUR 33 million in the same period in 2015. Net profit after special items equals EUR 44 million, as special items lead to a net gain of EUR 4 million.

Operating income before special items (EUR million)



Net interest income (EUR million) and Net interest margin (%)



Net interest income

Net interest income increased by 7% to EUR 149 million compared to H1 2015, supported by a healthy development of the company's balance sheet. Origination of corporate loans, retail mortgages and Buy-to-let mortgages continued in a balanced approach to the market, focussing on the product and market segments in which NIBC can provide fitting solutions to its customers. The net interest margin also benefits from further improvements of NIBC's funding mix, resulting in an increase from 1.37% to 1.42% at June 2016.

Fee and commission income

Fee income amounted to EUR 11 million, 31% lower than H1 2015, driven by lower investment management and M&A fees. Lending-related fee income increased by 18% compared to H1 2015.

Investment income

Underlying investment income increased by 50% to EUR 9 million (H1 2015: EUR 6 million), following positive developments in the value of the investment portfolio. The result also includes realised results following several smaller exits.

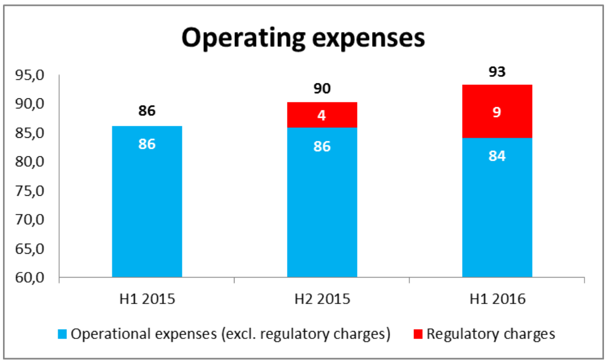
Net trading income

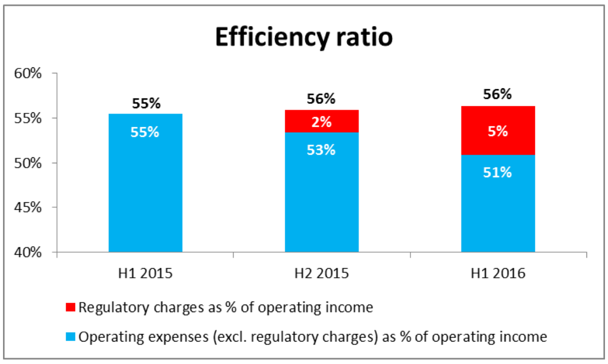
Impact of net trading income is limited with a loss of EUR 4 million (loss of EUR 6 million in H1 2015), mainly reflecting the (unrealised) fair value changes of the assets and liabilities classified at fair value through profit or loss and limited credit losses on fair value through profit or loss assets.

Operating expenses

Operating expenses increased to EUR 93 million in H1 2016, including regulatory charges of EUR 9 million, from EUR 86 million in H1 2015. Without the increase in regulatory charges, operating expenses showed a slight decrease of 2% to EUR 84 million; following unchanged personnel expenses, lower other operating expenses and increased depreciation and amortisation. Following the overall increase in operating expenses, the cost income ratio increased to 56% from 55% in the first half of 2015.

Operating expenses (in EUR million) and efficiency ratio (in %) before special items





Impairments on financial assets

Underlying impairment expenses at EUR 22 million are slightly lower than last year (EUR 23 million). The limited number of additional impairments was spread across various sectors. In H1 2016, credit losses on our fair value mortgage portfolio amounted to EUR 2 million (H1 2015: EUR 4 million), recognised in Net trading income.

Special items

Special items lead to a net gain of EUR 4 million. Included is the one-off gain (badwill) of EUR 22 million following the acquisition of NIBC Markets per 30 June 2016. This discount on the acquisition price partly reflects the future investments needed for development of this franchise. Furthermore, NIBC incurred EUR 18 million credit loss on resolving pre-crisis retail exposure.

Balance sheet NIBC Bank

In EUR Millions	June 2016	December 2015	*In EUR Millions*	June 2016	December 2015
Cash and banks	3,037	2,491	Retail funding	10,354	10,016
Loans	8,052	7,790	Funding from securitised mortgages	1,480	2,062
Lease receivables	166	212	Covered bonds	2,051	1,513
Residential mortgages	8,763	8,580	ESF deposits	1,332	1,127
Debt investments	1,351	1,377	All other senior funding (secured)	1,001	1,300
Equity investments	265	277	All other senior funding (unsecured)	3,011	2,249
Derivatives	2,345	2,151	Tier I & subordinated funding	386	400
All other assets	90	165	Derivatives	2,427	2,350
			All other liabilities	88	139
			TOTAL LIABILITIES	22,130	21,156
			SHAREHOLDER'S EQUITY	1,937	1,886
TOTAL ASSETS	24,067	23,042	**TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY**	24,067	23,042

The corporate loan book, consisting of both drawn and undrawn exposures, remained relatively stable, with new origination equal to EUR 1.2 billion, sufficient to cover both repayments and negative currency effects. The drawn part of the portfolio shows a net growth of EUR 200 million. New transactions contributed positively to the quality of the corporate loan book, improving the risk-reward balance. Additionally, the new equipment leasing activity already contributed to growth of the loan book. The first time consolidation of SNS Securities has positively contributed to the loan balances for an amount of EUR 71 million.

Growth in the mortgage loan book is primarily based on new origination of the Buy-to-let portfolio, which amounted to more than EUR 100 million. The retail mortgage book has remained relatively stable in the first half of 2016.

NIBC Bank – Other key figures

NIBC Bank	June 2016	December 2015
Common Equity Tier-1 ratio	15.9%	15.6%
Tier-1 ratio	15.9%	15.6%
BIS ratio	20.1%	20.0%
Leverage ratio	7.8%	7.2%
FTEs (end of the period) - NIBC Bank	618	644
FTEs (end of the period) - NIBC Markets	90	

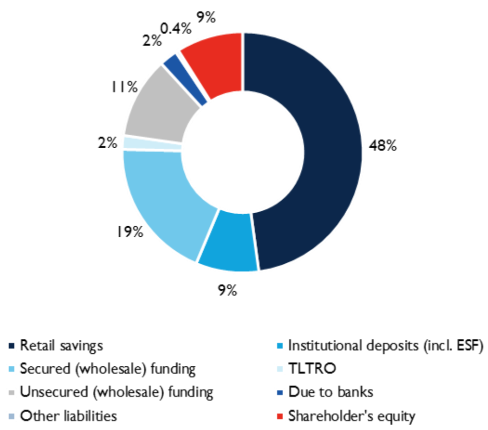
- *June 2016 ratios are pro forma ratios and include net profit H1 2016.*
- *Ratios are fully loaded Basel III ratios.*

NIBC has a solid capital position, with a Common Equity Tier-1 of 15.9% (2015: 15.6%), a BIS ratio of 20.1% (2015: 20.0%), and a leverage ratio that increased to 7.8% from 7.2%.

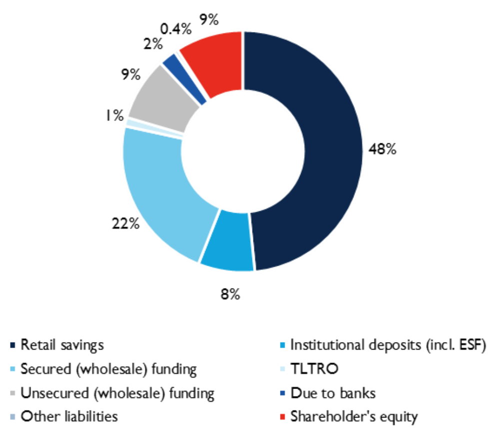
Funding

Our current funding diversification reflects a balanced mix of equity, wholesale and retail funding and an active approach to the various debt markets. In the debt capital markets, NIBC has been active with three new transactions. First, NIBC issued a new 3.5 year EUR 300 million public senior bond in the unsecured market. In May, a 10 year EUR 500 million covered bond was issued under our conditional pass-through covered bond programme. In addition, a CHF 100 million public senior unsecured bond was issued for Swiss investors. In the retail savings market, NIBC has grown its deposits to EUR 10.4 billion from EUR 10.0 billion, in a market that is continuously under pressure from further decreasing interest rates. Approximately half of the NIBC Direct deposits are term deposits. In Germany, deposits attracted under the ESF guarantee scheme grew to EUR 1.3 billion from EUR 1.1 billion.

Funding Composition
per 30 June 2016



Funding Composition
per 31 December 2015



Our strong liquidity position is evidenced by an LCR of 230% and an NSFR of 116% at 30 June 2016. Our ample liquidity position demonstrates NIBC's prudent approach to the present uncertainties in the market.

In the past period, we have seen encouraging developments in our ratings. In June, Fitch announced it had revised NIBC's rating outlook to positive on the back of structurally improving earnings.

NIBC Holding – Other key figures

NIBC Holding	June 2016	December 2015
Common Equity Tier-1 ratio	14.3%	13.9%
Tier-1 ratio	14.3%	13.9%
BIS ratio	17.1%	16.7%
Leverage ratio	6.3%	6.1%
Net profit for the period (in EUR million)	44	33
Total assets (in EUR billion)	24.0	23.0
Shareholder's equity (in EUR million)	1.8	1.7
Risk weighted assets (in EUR billion)	10.1	9.8

- *June 2016 ratios are pro forma ratios and include net profit H1 2016.*
- *Ratios are fully loaded Basel III ratios.*
- *Net profit for the period 2015 represents net profit for the first half of 2015.*

Profile of NIBC

NIBC is the bank of choice for decisive moments. Our Corporate Banking activities offer a combination of corporate finance & capital markets, financing and investing in the sectors Food, Agri, Retail & Health, Industries & Manufacturing, Infrastructure & Renewables, Commercial Real Estate, Oil & Gas Services, Shipping & Intermodal and Telecom, Media, Technology & Services. Consumer Banking offers residential mortgages in the Netherlands and online retail saving deposits in the Netherlands, Belgium and Germany via NIBC Direct.

Headquartered in The Hague, NIBC also has offices in Frankfurt, Amsterdam, London and Brussels.
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Forward-looking statements

The forward-looking statements included in this press release with respect to the business, results of operation and financial condition of NIBC are subject to a number of risks and uncertainties that could cause actual results to differ materially from forecasts, estimates or other statements set forth in this release, including but not limited to the following: changes in economic conditions, changes in credit spreads or interest rates, the results of our strategy and investment policies and objectives. NIBC 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.

We refer to our Condensed Consolidated Interim Financial Report published on our website for further information.

Disclaimer

The financial information included in the Condensed Consolidated Interim Financial Report (NIBC Bank) and the Condensed Consolidated Interim Financial Report (NIBC Holding) for the six months period ended 30 June 2016 as referred to in this press release have been reviewed by the Independent Auditor of the company. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.