

# PRESS RELEASE

The Hague, 27 August 2014



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## NIBC H1 2014 overall bank performance shows underlying growth

- **H1 2014 EUR 27 million profit equals H1 2013 profit, excluding SNS levy of EUR 12 million in H1 2014.**
- **H1 2014 net interest income increased by more than 40% to EUR 100 million (H1 2013: EUR 71 million), driven by improved funding conditions.**
- **Further expansion of footprint in Germany, our second home market, with acquisition of Gallinat-Bank.**
- **Corporate Banking: growing demand from new and existing clients.**
- **Consumer Banking: retail savings and customer demand for new mortgages show healthy growth, demonstrating clients' confidence in NIBC Direct products.**
- **Capital position remains strong with Common Equity Tier-1 ratio<sup>1</sup> of 16.3% (16.5% in H1 2013).**

*Paulus de Wilt, CEO of NIBC Bank:*

"We are seeing the first signs of improvements in the economic climate reflected in our H1 2014 results. Impairments are lower and repayments on our corporate loan portfolio remain stable and NIBC's business performance is showing healthy underlying growth. Our first-half net profit would have equalled H1 2013's EUR 27 million were it not for the EUR 12 million net expense related to the non-recurring SNS levy (full-year EUR 18 million), which reduced our net profit to EUR 15 million.

This year, we are seeing that growth in overall corporate banking deals is gaining further momentum as companies increasingly explore investment opportunities and seek financial transactions. This was also underlined in H1 by a substantial increase in new corporate lending transactions. Typical examples of our tailor-made solutions for medium-sized companies, NIBC's core market, include deals with several clients, such as Koninklijke Van den Boer Groep, Dura Vermeer and Vroon. On the consumer side, NIBC Direct mortgages showed healthy growth. NIBC Direct savings expanded further to EUR 8.9 billion.

In Germany, our second home market, we grew both autonomously and through the acquisition of Gallinat-Bank. This demonstrates our long-term commitment to the German market and further diversifies our funding mix. Integration of Gallinat-Bank is on track.

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<sup>1</sup> Common Equity Tier-1 ratio (previously core Tier-1 ratio) based on Basel III as of 1 January 2014. Till 31 December 2013 all capital ratios were based on Basel II.

We continued to diversify our funding with another EUR 500 million issue of our conditional pass-through covered bond, as well as various senior unsecured funding transactions.

I am glad to have joined NIBC in April 2014 with the opportunity to help further shape the bank's future, amid the changing financial markets and banking landscape. In coming months, we will focus on identifying the actions required to ensure sustainable growth as an entrepreneurial bank. Our sector expertise and structuring knowledge will remain key to supporting clients in achieving their goals."

### NIBC Bank profit & loss

In EUR millions	H1 2014	FY 2013	H2 2013	H1 2013
Net interest income	100	148	78	71
Net fee and commission income	12	17	10	8
Dividend income	2	2	2	
Net trading income	3	56	(15)	71
Gains less losses from financial assets	17	1	9	(8)
Share in result of associates		(1)	(1)	
Other operating income				
<b>Operating income</b>	<b>134</b>	<b>225</b>	<b>83</b>	<b>142</b>
Personnel expenses	(44)	(82)	(39)	(43)
Other operating expenses	(25)	(48)	(24)	(23)
Depreciation and amortisation	(3)	(5)	(3)	(2)
<b>Operating expenses</b>	<b>(72)</b>	<b>(134)</b>	<b>(66)</b>	<b>(68)</b>
Impairments of financial assets	(28)	(62)	(26)	(36)
SNS levy (Net)	(12)			
<b>Total expenses</b>	<b>(112)</b>	<b>(196)</b>	<b>(92)</b>	<b>(104)</b>
<b>Profit before tax</b>	<b>22</b>	<b>29</b>	<b>(9)</b>	<b>38</b>
Corporate tax	(7)	(6)	4	(11)
<b>Profit after tax</b>	<b>15</b>	<b>22</b>	<b>(5)</b>	<b>27</b>
Result attributable to non-controlling interests				
<b>Net profit attributable to parent shareholder</b>	<b>15</b>	<b>22</b>	<b>(5)</b>	<b>27</b>

*The income statement differs from that presented in the Condensed Consolidated Interim Financial Report (enclosed with this press release) due to the treatment of non-financial companies controlled by NIBC. This only affects the presentation of the income statement and not the bottom-line profit figures. Small differences are possible in this table due to rounding.*

### Financial results NIBC Bank in H1 2014

- Profit of EUR 27 million, excluding SNS levy of EUR 12 million.
- Net interest income improved by more than 40% compared to H1 2013, mainly driven by improved funding conditions, the repayment of EUR 0.6 billion of state-guaranteed bonds and the new pass-through covered bond issue.
- Net trading income includes revaluation of structured funding and our mortgage portfolio valued at fair value through P&L.
- Operating expenses increased by 6% compared to H1 2013, including the acquisition of Gallinat-Bank. NIBC maintained tight cost control, underlined by a solid cost-to-income ratio of 54%.
- Impairments decreased compared to H1 2013.

## Capital & liquidity position

- NIBC's capital position remains strong with a Common Equity Tier-1 ratio of 16.3% at Bank level (16.5% at 30 June 2013) and 15.5% at Holding level (15.3% at 30 June 2013). NIBC Bank has a Tier-1 ratio of 18.0% and a BIS ratio of 19.5% (19.5% and 20.5% respectively at 30 June 2013).
- NIBC's strong liquidity position is evidenced by a Basel III Liquidity Coverage Ratio of 235% - including a liquidity buffer to repay the last part of state-guaranteed bonds in December of this year - and a Net Stable Funding Ratio of 112%.
- We further diversified our funding by issuing a EUR 500 million conditional pass-through covered bond, conducting a number of senior unsecured transactions and growing NIBC Direct savings from EUR 8.4 billion at 31 December 2013 to EUR 8.9 billion at 30 June 2014.
- In addition, the acquisition of Gallinat-Bank provides access to German institutional savings under the Einlagensicherungsfonds (ESF).

## Transactions

NIBC was involved in important transactions across its key sectors and markets in H1 2014. Here is a selection of the deals:

- **Infrastructure & Renewables:** New three-year EUR 213.5 million facilities package for Dura Vermeer. NIBC was the lead arranger and is acting as facility agent in this club deal.
- **Industries & Manufacturing:** NIBC was exclusive financial advisor to management on the management buyout (MBO) of Royal Burger Group's port agency activities. The MBO was backed by investor AEG Invest.
- **Oil & Gas Services:** Senior secured facility for Singapore-based Energy Drilling for the delivery financing of two tender-drilling rigs, which are being built in China.
- **Commercial Real Estate:** EUR 50 million liquidity facility for ASR Woningfonds (new client ASR Vastgoed), a fund comprising a EUR 850 million Dutch residential properties portfolio. The facility enables the fund to acquire newly-built properties.
- **Shipping & Intermodal:** Five-year bilateral USD 30 million senior secured credit facility to refinance two LPG carriers and finance a new eco-fuel LPG carrier for existing client StealthGas Inc.
- **Food, Agri & Retail:** A bilateral working capital facility for family-owned Reinhard Wolf GmbH & Co, one of the top five meat and sausage processing companies in Germany.
- **Technology, Media & Services:** A transaction with our new client Koninklijke Van den Boer Groep. This investment opportunity enabled the family shareholders to regain full control of their 100-year-old family business.
- **Leveraged Finance:** A GBP 235 million all-senior financing package, where NIBC acted as mandated lead arranger, supporting the buyout of Burton Biscuits by Ontario Teachers' Pension Plan.



## **Profile of NIBC**

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

Headquartered in The Hague, NIBC also has offices in Brussels, Frankfurt and London.

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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 in Western Europe, 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.

## **Enclosure**

- NIBC Interim Report 2014.

## **Disclaimer**

The 2014 figures as included in this press release and the Condensed consolidated interim financial report for the six months period ended 30 June 2014 of NIBC Bank N.V. as enclosed to this press release have been reviewed by the external auditor of the bank. The corresponding figures for the six months period ended 30 June 2013 are not reviewed. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.