

The Hague, 29 August 2018

## NIBC reports strong net profit H1 2018 of EUR 84 million and increases interim dividend to EUR 0.25 per share

- Return on Equity improved to 10.5% in the first half of 2018, in line with the medium term objectives;
- Corporate client assets grew by 2%, fuelled by a 4% increase in Receivable Finance, Leasing and lending to corporates, but offset by a relatively high level of pre- and repayments and a modest reduction of our cyclical sector portfolios;
- Mortgage loan origination nearly doubled in H1 2018, reaching EUR 1.9 billion. The number of mortgage clients grew with 10% to 56,000;
- Net interest income increased by 22% to EUR 207 million in H1 2018, with net interest margin improving to 1.90%;
- Impairments 34% lower in the first half of 2018 at EUR 21 million;
- Cost to income ratio improved to 47%, including EUR 8 million costs relating to the IPO;
- Solvency ratios are strong, with a fully loaded CET 1 ratio of 16.4%.

### Statement of the CEO, Paulus de Wilt:

"I am pleased to announce that in the first half of 2018, NIBC Holding again reported strong results based on our chosen mix of businesses and our loyal and growing client franchise. We are progressing well on our strategic priorities and mid-term objectives. Driven by our 'THINK YES' mentality and the entrepreneurial mind-set of our people, we continue to grow the business, as client assets grew both on balance as well as off balance. On the corporate client side, assets grew by 2% versus year-end 2017, whereas new business on the retail client side nearly doubled including our originate-to-manage (OTM) offering.

We benefit from the strong economies in North-western Europe, as evidenced by our profitability which further improved in H1 2018, with a profit after tax at EUR 84 million and return on equity of 10.5%. We were able to further reduce our funding costs, which together with the impact of IFRS 9, resulted in a 22% increase of our net interest income. Our cost to income ratio slightly improved to 47%, allowing us to continuously invest in the NIBC organisation, both in innovation and product development as well as in our 'THINK YES' culture. The CET1 ratio at the end of June 2018 remained strong, and is with 16.4% well above our mid-term objective.

For the first half of 2018, we will pay an increased interim dividend of EUR 0.25 per share (+19%) which leads to a pay-out ratio of 44% of H1 2018 profit after tax. We aim to pay out an interim dividend of at least EUR 0.25 per share for the coming years (under normal circumstances) and are well-positioned to achieve our mid-term objective of 50% pay-out ratio by year end.

Overall fee income shows a modest growth in the first half of 2018. Investment income remained strong on the back of the positive economic climate. Following some recently announced transactions that are expected to close in the second half of 2018, we expect investment income to remain strong in the remainder of this year.

We continue to focus on asset quality and further optimization of our on-balance exposure, seeking diversification in terms of products and actively managing our risk weighted assets. New pockets of growth are BEEQUIP (leasing of

used equipment material), which grew its portfolio by more than 30%, and our rapidly expanding OTM offering, allowing us to serve already more than 7,500 new clients. By investing in new businesses and developing relationships with fintech companies, like Ebury, and FinLeap, we are able to add value and find synergies with our own product offering and operations.

In March, we had our own decisive moment with the IPO. As a newly listed company, the external environment in which we operate has changed. We will put more emphasis on clear communication with all stakeholders, both at and in between official reporting moments. In light of this, we have decided to organise a Retail Investor Day on 19 September 2018, to allow retail investors to engage with NIBC's management. Demonstrated by the performance in the first half of 2018, we are progressing well in meeting our mid-term objectives as announced in 2017. As we are Moving Ahead, we will further update the market on a Capital Markets Day on 6 December 2018."

## NIBC Holding N.V. – Key Figures

	IFRS 9 H1 2018	IAS 39 ex. Vijlma 2017	IAS 39 2017	IAS 39 2016	IAS 39 2015
<b>Earnings</b>					
Operating income	254	473	559	398	354
Operating expenses	120	229	233	197	193
Profit after tax	90	163	216	104	70
Profit after tax attributable to shareholders	84	160	213	104	70
Cost/income ratio	47%	48%	42%	49%	55%
Net interest margin <sup>1</sup>	1.90%	1.64%	1.60%	1.47%	1.34%
Return on equity	10.5%	9.0%	11.9%	6.0%	4.2%
Return on assets	0.76%	0.68%	0.91%	0.45%	0.30%
Earnings per share basic – annualised	1.15	1.10	1.46	0.71	0.48
Earnings per share diluted – annualised	1.15	1.10	1.46	0.71	0.48
Dividend pay-out ratio <sup>2</sup>	44%	n.a.	45%	25%	0%
Dividend per share	0.25	n.a.	0.66	0.17	
Price/earnings ratio	6.16				
Price/book ratio	0.70				

1. H1 2018 NIM calculated using the H2 2017 interest income excluding Vijlma
2. Ratios based on interim dividend pay-out proposal

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

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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.