

The Hague, 4 March 2022

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## NIBC reports strong performance with net profit of EUR 182 million over 2021 (2020: EUR 47 million)

- Strategic choice made to further grow and focus on 1) Mortgages, 2) Corporate asset-backed financing and specialty finance, and 3) Platforms
  - growth of 18% in mortgage loan portfolio to EUR 11.7 billion, mainly fueled by acquisition of Finqus mortgage portfolio of EUR 1.4 billion
  - significant growth in the originate-to-manage (OTM) mortgage portfolio to EUR 10.5 billion, an increase of 39% with ample growth potential to a total mandate of more than EUR 12.7 billion
  - positive developments in recurring Corporate portfolios and successful platform strategy with double-digit growth e.g. Beequip to a portfolio of around EUR 0.8 billion (+29%)
- Strong net profit of EUR 182 million (+287%), driven by high investment income, a resilient net interest income of EUR 390 million with a net interest margin of 1.87%
  - adjusted for non-recurring, the profit amounts to EUR 193 million, our cost/income is at 45% and our ROE is 10.8%
  - steadily increasing fee income, reflecting further expansion of our OTM franchise
  - cost/income ratio improved to 48%, towards the medium-term objective
  - solid capital position with a CET 1 ratio of 16.9% (as from 1 January 2022, after application of the prudential DNB mortgage floor) and ROE of 10.2%
- Proposed final dividend of EUR 82 million, leading to a dividend pay-out ratio of 70% of net profit.

### Statement of the CEO

“2021 was a year full of challenges and opportunities. COVID-19 continued to impact daily life and the way of working. The world economy has recovered on the back of government support actions, showing a return to growth and rising inflation. We continue to address the many challenges of today's banking landscape in an operating environment characterised by continued low interest rates, excess liquidity, regulatory demand and the short-term and long-term impact of continued government support measures. At the same time we provide our clients with the best possible service and support and ensure the well-being of our staff and stakeholders.

I am proud that we could close the acquisition of the Finqus portfolio in November 2021. This acquisition of a EUR 1.4 billion mortgage loan portfolio is at the sweet spot of our focus and is a transaction of unprecedented size for NIBC. With the transaction, we have welcomed over 17,000 new clients.

During the year we have made several strategic choices to further sharpen NIBC's business model. As announced on 23 November 2021, we have decided to seek growth in asset classes that fit with the profile of asset-backed financing and that are driven by sustainable development and technological innovation.

The basis of this strategy will be a focus on three core-activities, 1) Mortgages, in the Netherlands and through international expansion, 2) Asset-backed transaction financing in the areas of Commercial Real Estate, Digital Infrastructure, Shipping and Specialty finance such as Collateralised Loan Obligations (CLOs) and providing minority equity investments, and 3) Platform financing through Fintechs such as Beequip and yesqar. This being said, we also had to make difficult decisions that affected both our customers and colleagues. Following our new growth strategy, we decided to discontinue certain activities and to close our corporate banking activities in Frankfurt allowing us to focus and to deploy capital and resources to grow our business. I am very grateful to our colleagues who contributed professionally to this phase out.

We continue to deliver upon our promise of being a dynamic, entrepreneurial financing partner to our clients, resulting in a strong performance, both in net result and development of the portfolios in which we aim to grow. We saw growth in the various businesses and in the number of clients we served. We realised a strong net profit of EUR 182 million, benefitting from elevated investment income, of which more than half relates to realised gains, and lower credit losses. Over 2021, we saw a resilient net interest income of EUR 390 million, and steadily increasing fee income due to the further growth of our Originate-to-Manage (OTM) offering.

We further strengthened our mortgages client base and the Finqus transaction has helped to grow this franchise considerably, as we are currently servicing over 175,000 clients. During the year, we organically grew our owner-occupied mortgage loan portfolio to EUR 9.3 billion (+4%) and our Buy-to-Let (BtL) portfolio to EUR 1.1 billion (+28%). Lot Hypotheken has celebrated its one-year anniversary with a steadily growing number of clients and total loans outstanding (own book and Originate-to-Manage) approaching EUR 1.6 billion. Lot Hypotheken is well-positioned for further growth in the mortgage market with a sustainability angle.

Also this year we deployed our solid capital and liquidity position to service our clients in support of their business ambitions and to continue strengthening our franchise. We further invested in our defined asset classes that underline our entrepreneurial culture. We have further expanded our fee generating OTM activities. Our OTM portfolio of mortgage loans grew to a total of EUR 10.5 billion (+39%) with ample growth potential of a total mandate of more than EUR 12.7 billion. The corporate OTM portfolio grew to EUR 1.5 billion (+46%). As our identified growth areas realised healthy growth, we started to further reduce our non-core activities, resulting in a managed decrease of the corporate loan exposure. Our OIMIO label expanded its business to a total exposure of EUR 144 million in smaller ticket real estate financing.

Beequip, the largest alternative financier of equipment leasing in the Netherlands, hit a record by providing approximately EUR 500 million to SMEs, resulting in a portfolio of around EUR 0.8 billion and positively contributed to the net result of NIBC. yesqar, which offers smart finance solutions to the automotive businesses, has had a successful first full year of operation, growing its portfolio to EUR 82 million. In combination with our existing experience from traditional asset-backed financing activities, these new initiatives complement our corporate client offering and help us address our client needs through various channels and propositions.

Our operating expenses are well under control, despite the fact that we have continued to invest in our IT environment to ensure our people were able to work from home, have invested in healthy growth in our chosen asset classes, and again have had to fully absorb the increased regulatory costs. All in all, the increase in income has more than compensated for the increase in expenses. This resulted in an improved cost/income ratio of 48% (2020: 54%). Due to improved market conditions, and the impact of our long-term strategy of de-risking our portfolios our credit loss expenses were significantly lower at EUR 37 million.

Serving our clients in the best possible way is and remains at the center of our organisation. NIBC has a robust and fully integrated sustainability strategy that guides our business decisions. We see the demand for sustainable transactions in our corporate asset classes increasing, as clients focus on making their businesses sustainable and linking this to their financing solutions. This was also an important consideration in our strategic decision to withdraw from the offshore energy asset class. Through our Lot mortgages label, NIBC offers sustainable mortgages at competitive rates for retail clients, whilst Beequip and yesqar also provide platforms for green equipment and fleet electrification. The appreciation of our client focus is reflected in the positive client feedback, with a net promoter score of +59% for corporate lending and a 8.1 out of 10 score following the mortgage customer survey.

With our firm ESG profile, we are well positioned to contribute to a more sustainable, resilient and inclusive future for the communities we serve. As we look back on 2021, more than half of our commercial and retail real estate exposures have already achieved an energy label C or better, our inaugural green senior preferred issuance attracted new responsible investors to NIBC, and our award-winning ESG CLO program continues to lead in its asset class.

To further develop and implement NIBC's focused strategy, we have strengthened our Corporate Development team and welcomed Jurre Alberts as head of the department and new member of our Executive Committee. As a consequence of the strategic direction of the bank, we have parted ways with Caroline Oosterbaan as a member of the Executive Committee in January 2022. I am grateful for Caroline's dedication and contribution to the development of NIBC's corporate client franchise and to the team over the past years. The EGM in March has appointed Joop Wijn and the EGM in September has appointed Leni Boeren as new members of the Supervisory Board.

At the heart of our business are our talented and motivated people. As a bank built for entrepreneurs, we are committed to foster our 'Think YES' mentality by being professional, entrepreneurial and inventive and by matching our clients' can-do attitude. I would particularly like to thank our employees for their continued trust, flexibility and hard work to support our clients in these challenging times.

Although we see improvements, the economic climate for the year ahead remains uncertain, especially due to the recent geo-political environment. Yet, there are also positive macroeconomic signs which further motivate us to help our clients to realise new growth opportunities. Our solid capital position, reflected in a Common Equity Tier 1 ratio of 16.9% (as from 1 January 2022), allows us to support our clients in their growth ambitions and to simultaneously further build our franchises (inorganically and organically) in the asset classes we have chosen to focus on. We will also further invest to align our organisation with the chosen strategy. I am confident that NIBC has a sound basis for future growth, with our firm ESG profile, strong capital position, a solid risk profile, an entrepreneurial spirit, all realised by our talented and motivated colleagues."

### NIBC Holding N.V. – Key Figures

in EUR millions	2021	2020
<b>Operating income</b>	<b>525</b>	<b>431</b>
<b>Operating expenses</b>	<b>251</b>	<b>232</b>
<b>Net operating income</b>	<b>274</b>	<b>199</b>
Credit loss expense / (recovery)	37	141
Tax	40	-2
<b>Profit after tax</b>	<b>194</b>	<b>59</b>
Profit attributable to non-controlling shareholders (AT-1)	12	12
<b>Profit after tax attributable to shareholders</b>	<b>182</b>	<b>47</b>
Return on equity	10,2%	2,6%
CET I ratio	18,4%	19,9%
Pro forma CET I ratio (1 January 2022)	16,9%	
Cost/income ratio	48%	54%
Credit rating - Fitch	BBB Stable	BBB Negative
Credit rating - S&P	BBB+ Stable	BBB+ Negative

We refer to our Annual Report 2021 NIBC Holding N.V. published on our [website](#) or full details.

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## Press and debt investor contact NIBC

**Martin Groot Wesseldijk**

**Press Relations**

T: +31 70 342 5418

E: martin.groot.wesseldijk@nibc.com

**Eveline van Wesemael**

**Press Relations**

T: +31 70 342 5412

E: eveline.van.wesemael@nibc.com

**Toine Teulings**

**Debt Investor Relations**

T: +31 70 342 9836

E: toine.teulings@nibc.com

## About NIBC

NIBC is best suited to help consumers and entrepreneurs at their most decisive moments. Now and in the future. As an entrepreneurial bank, we are committed to cultivating our 'THINK YES' mentality by being flexible and agile and by matching our clients' can-do attitude. We operate from our offices in the Netherlands, UK, Germany and Belgium. For our retail clients we offer mortgages, online savings and brokerage products that are accessible, easy to understand and fairly priced. We support our corporate clients in building their businesses by offering financing solutions to entrepreneurs across selected sectors in which we have strong expertise and market positions. The market in which we operate is dynamic by nature and requires a bank that can respond quickly and in a highly flexible way.

You can read more about NIBC on [www.nibc.com](http://www.nibc.com).

## Forward-looking Statements

This press release 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 press release 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.