

Debt Investor Presentation

April 2023



Table of Contents

1. BUSINESS UPDATE FY 2022

2. FINANCIAL RESULTS FY 2022

APPENDIX

1. **BUSINESS UPDATE FY 2022**

Further execution on focused strategy

Entrepreneurial asset financier for individuals and companies



MORTGAGES

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



ASSET-BACKED FINANCE

- Commercial real estate (including OIMIO)
- Vessels (Shipping)
- Infrastructure



PLATFORMS

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

NIBC delivers strong performance with 18% growth in core business over 2022

Net profit

EUR 179 million

2021: EUR 193 million

Recurring Interest Income

EUR 420 million

vs 2021  8%

Exposure growth



Mortgages
+15%



Asset-backed finance
+25%



Platforms
+53%



Non-core
-29%

Cost/Income ratio

48%

CET 1 ratio

17.8%

Return on equity at 14% CET1

12.4%

Growth core activities, execution non-core activities

Successful execution of our focused strategy is reflected in the growth of our core activities and meticulously reducing non-core portfolios

Growth core activities

Exposure increased with **EUR 4.7 billion**

Double digit growth in all our core asset classes, emphasizing our successful shift to a true asset-based financier



Mortgages

+15%



Asset-backed finance

+25%



Platforms

+53%

Execute Non-core activities

Exposure decreased with **EUR 1.6 billion**

With the successful execution of our focused strategy, we were able to significantly reduce exposure in the non-core segment



Non-core

-29%

2022

- Portfolio Offshore Energy and LF sold
- Structured finance in execution
- Mid Markets (Germany) in execution
- German Office (corporate) closed
- M&A discontinued
- Lendex (consumer finance platform) sold

2023

- Liquid loans sold
- NIP/CLO under review

Excellence in all our core asset classes

Our focused business model allows for strong performance



MORTGAGES



- Total loan portfolio EUR **25.5 billion** (2021: EUR 22.1 billion)
- Origination: EUR 6.1 billion
- Servicing ~200k clients
- NPS 8.5 (2021: 8.1)
- NIBC Direct and Lot Hypotheken: best mortgage lenders 2022!



ASSET-BACKED FINANCE



- Exposure EUR **4.5 billion** (2021: EUR 3.6 billion)
- Origination: EUR 2.0 billion
- Servicing ~500 clients
- NPS 86% (2021: 59%)



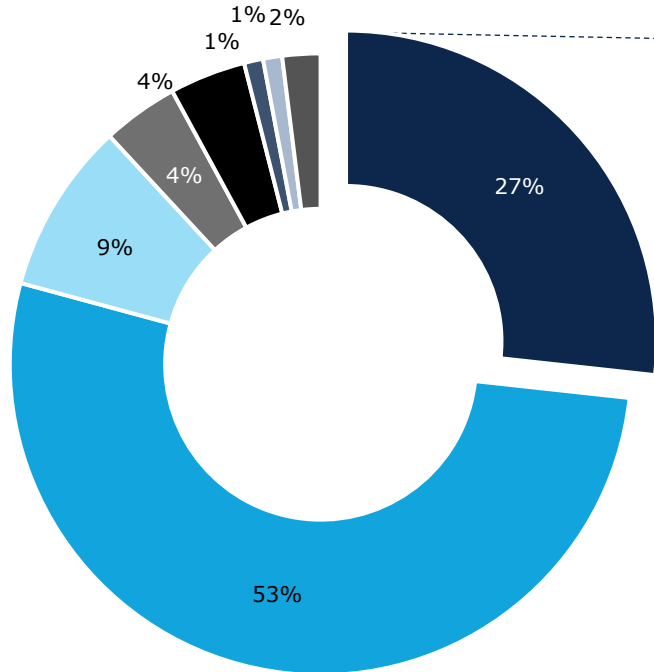
PLATFORMS



- Exposure EUR **1.4 Billion** (2021: EUR 0.9 billion)
- Origination: EUR 900 million
- Servicing ~4000 clients
- Beequip amongst fastest growing companies in the Netherlands

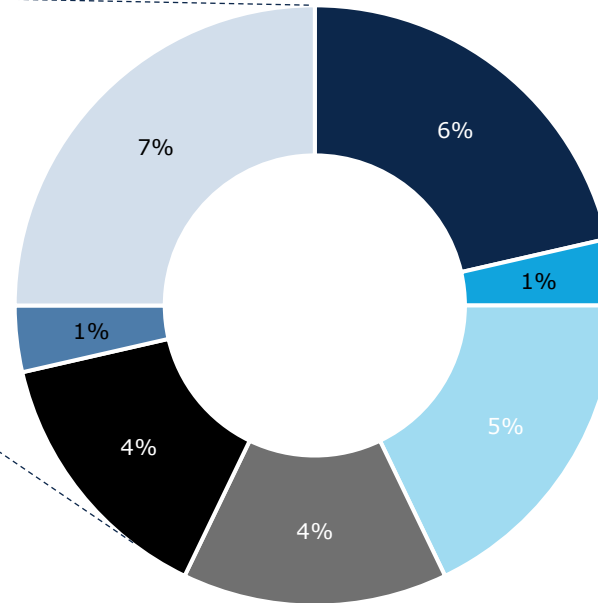
Composition of NIBC's total assets on balance

NIBC's total assets



- Corporate loans & Lease Receivables
- Residential mortgage loans
- Governments & central bank
- Other financial institutions
- Debt investments
- Equity investments
- Derivatives
- Other

Corporate loans & lease receivables



- Commercial Real Estate
- Digital Infrastructure
- Lease receivables
- Non-core loan portfolio
- OIMIO (CRE)
- Shipping
- yesqar

- Total assets of EUR 22.8bn at FY 2022:
 - 9% is in liquid means (governments & central bank)
 - 53% in residential mortgage loans

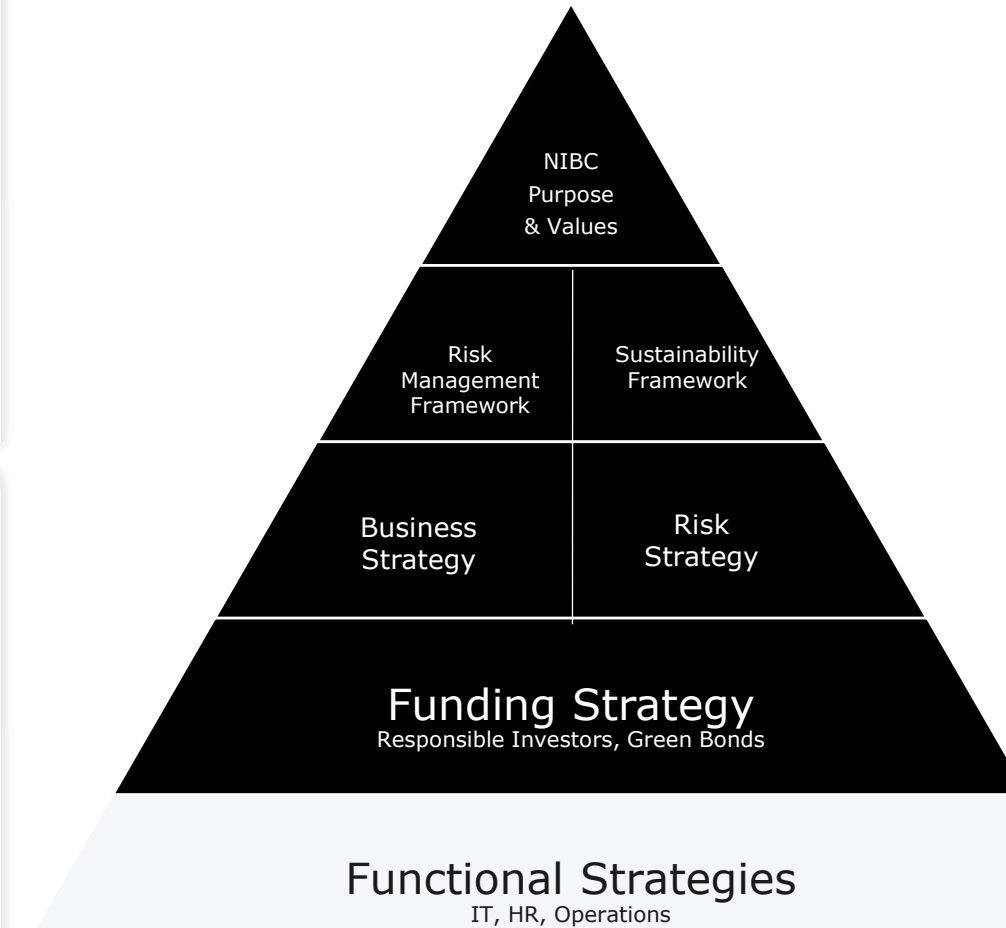
ESG embedded in our strategy

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



Sustainability ratings 2022¹

ISS
C+ /Prime
Sustainalytics
18.3 Low risk
RepRisk
AA
MSCI
AA
S&P
E-2, S-2, G-2

2. **FINANCIAL UPDATE FY 2022**

Financial highlights

Strong financial performance in 2022 driven by growth in all core asset classes and funding developments

	FY 2021		FY 2022
Net interest income excl. non-recurring items	EUR 390 million		EUR 420 million
Funding costs	66 bps		34 bps
Credit loss expenses excl. non-recurring items	EUR 37 million		EUR 30 million
Dividend pay-out ratio	70%		75%
Common Equity Tier 1 Capital Ratio	18.4%		17.8%

Income statement

Strong performance in 2022 with an underlying net profit of EUR 179 million excluding non-recurring items

Income statement

in EUR millions	ex. non-recurring		ex. non-recurring		2022 vs.	ex. non-recurring
	2022	2022	2021	2021	2021	2022 vs. 2021
Net interest income	423	420	390	390	8%	8%
Net fee and commission income	47	47	46	46	4%	4%
Investment income	39	39	84	76	(53%)	(48%)
Other income	-36	4	5	5	(>100%)	(34%)
Operating income	473	510	525	517	(10%)	(1%)
Personnel expenses	106	106	121	104	(13%)	2%
Other operating expenses	118	116	104	103	13%	13%
Depreciation and amortisation	4	4	6	6	(24%)	(24%)
Regulatory charges and levies	19	19	20	20	(4%)	(4%)
Operating expenses	247	245	251	232	(2%)	6%
Net operating income	226	265	274	285	(17%)	(7%)
Credit loss expense	20	30	37	37	(45%)	(20%)
(Gains) or losses on disposal of assets	2	-	3	-	(29%)	-
Tax	37	45	40	43	(8%)	4%
Profit after tax	167	191	194	205	(14%)	(7%)
Profit attributable to non-controlling shareholders	12	12	12	12	0%	0%
Profit after tax attributable to shareholders of the company	155	179	182	193	(15%)	(8%)
Return on equity	8,6%	9,9%	10,2%	10,8%		

Segment performance

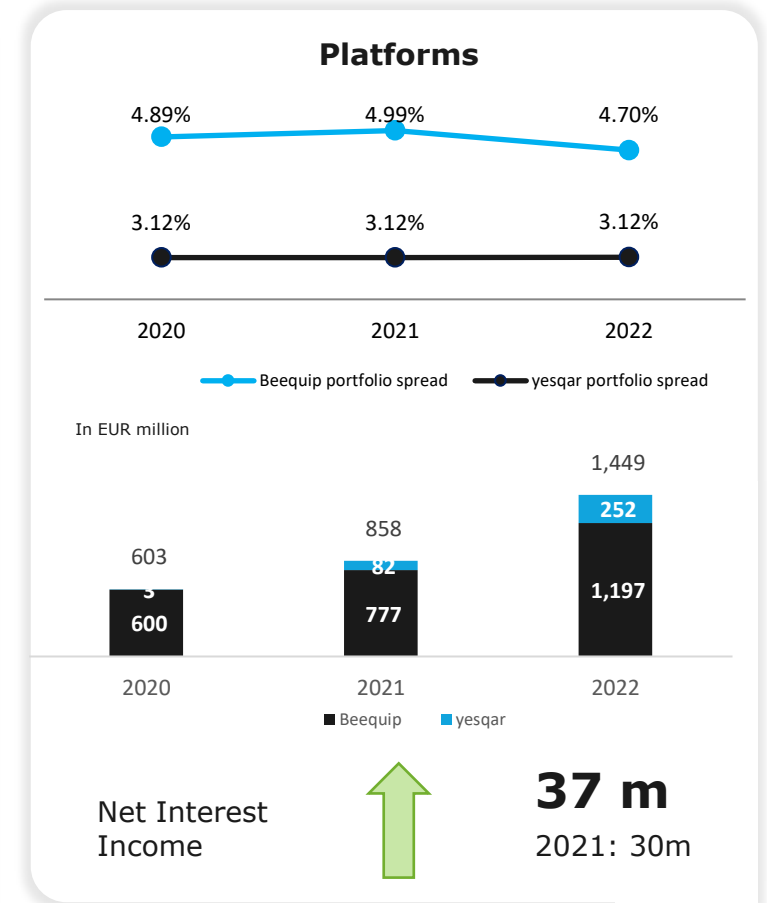
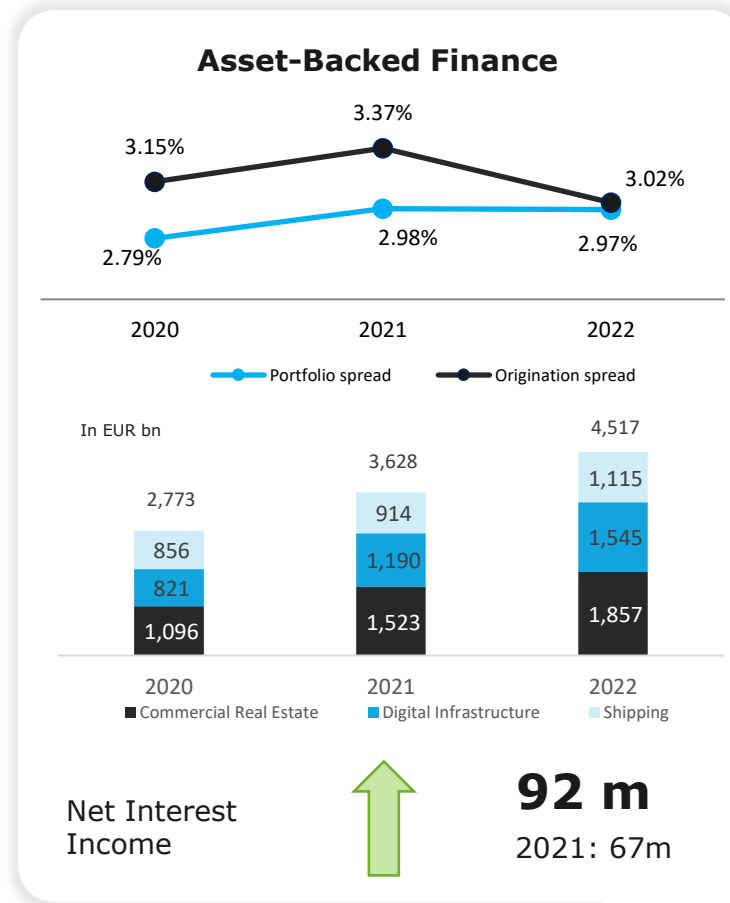
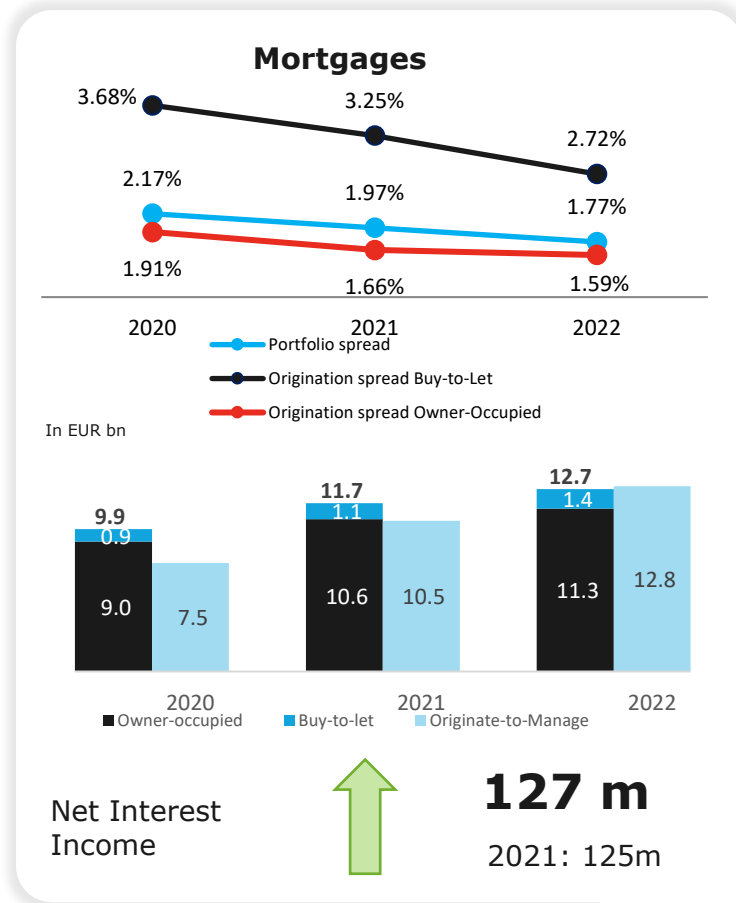
Absorbing the effect of the reduction of non-core activities with the growth in our core activities

	Mortgages		Asset-Backed Finance		Platforms		Treasury & Group functions		Subtotal core activities		Non-core Activities		Total	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Operating income	158	166	77	95	32	42	93	115	359	418	166	56	525	473
Operating expenses	58	69	34	37	13	16	95	83	200	204	51	43	251	247
Credit & other loss expenses	(3)	1	(2)	8	2	1	(1)	(1)	(4)	8	43	14	39	22
Income tax	27	25	8	11	5	7	(6)	3	34	46	6	(9)	40	37
Profit after tax	75	71	36	39	13	19	3	30	128	159	66	8	194	167
Attributable to:														
Shareholders of the company	75	71	36	39	13	19	(9)	18	116	147	66	8	182	155
Holders of capital securities							12	12	12	12			12	12

- The subtotal of our core activities made up 95% of our 2022 result (EUR 159 million/ EUR 167 million) as compared to 66% in 2021 (EUR 128 million/ EUR 194 million) demonstrating our successful strategy of changing our income source
- Development of profit after tax:
 - Mortgages has a slightly lower result EUR 71 million versus EUR 75 million driven by strong origination and absorbing significantly lower prepayment penalty levels as compared to 2021
 - Asset-Backed Finance shows a growth of 10% in profit after tax driven by exposure growth of 25%
 - Platforms result increased with almost 50% on the back of strong exposure growth
 - Treasury & Group functions result increased from EUR 3 million in 2021 to EUR 30 million in 2022 driven by lower funding costs

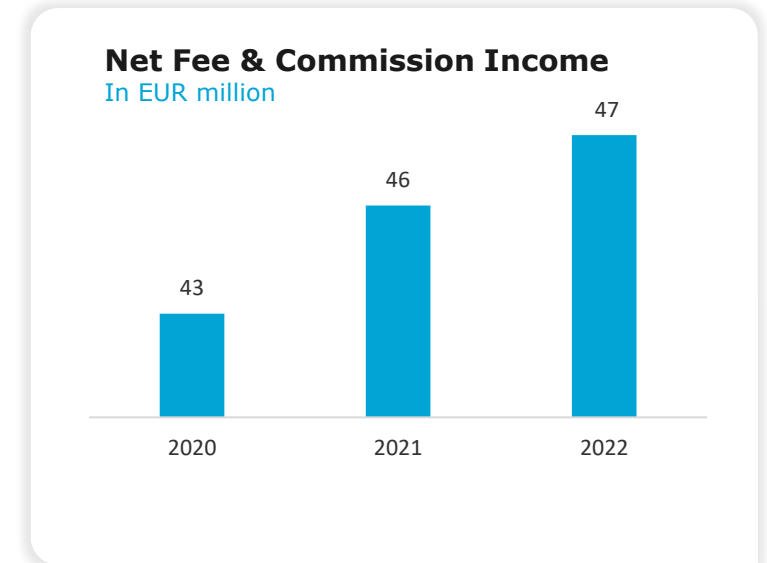
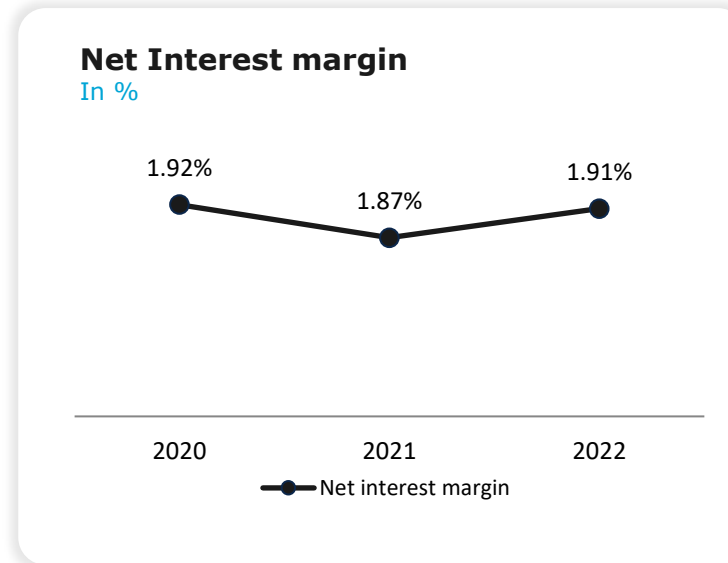
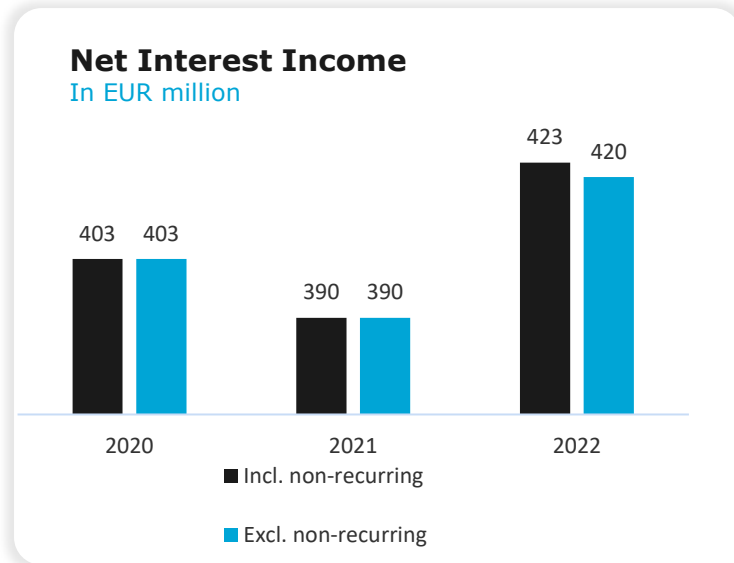
Strong underlying results per operating segment

All core segments demonstrate healthy underlying financials with excellent foundation for future growth



Improved base for future income generation

Continued growth in core asset classes and OTM mortgages leads to improved net interest and fee income



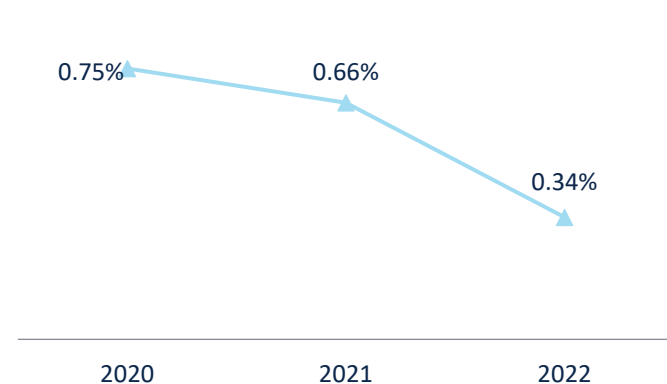
- Net Interest Income excluding non-recurring items increased with EUR 30 million to EUR 420 million, 8% up compared to 2021 (2021: EUR 390 million), mainly driven by the strong performance in our core asset classes and positive developments in funding costs
 - Prepayment penalties substantially lower as compared to 2021 given the rising interest rate environment
- Net Fee & Commission income slightly increased to EUR 47 million in 2022. The growth in our Originate-to-Manage mortgages (EUR 6 million) and Asset-backed finance segment (EUR 2 million) more than compensates the loss of M&A related income and reduced lending-related fees due to strategic choices (EUR 5 million)

Liquidity management

Funding mix allows for future growth and resilience during these uncertain times

Funding spread development

In %



Key ratios

In %, as per FY 2022

207%

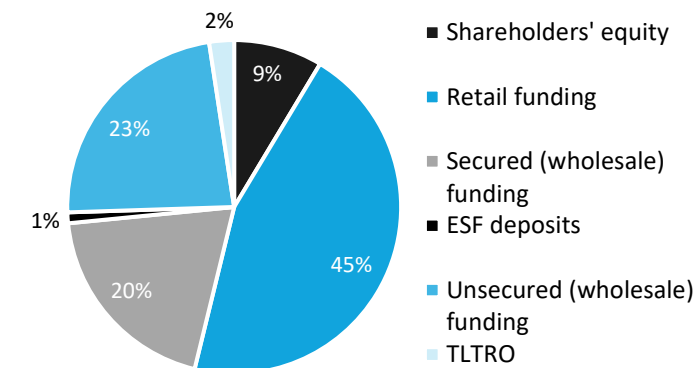
Liquidity
Coverage
Ratio

130%

Net Stable
Funding
Ratio

Funding composition

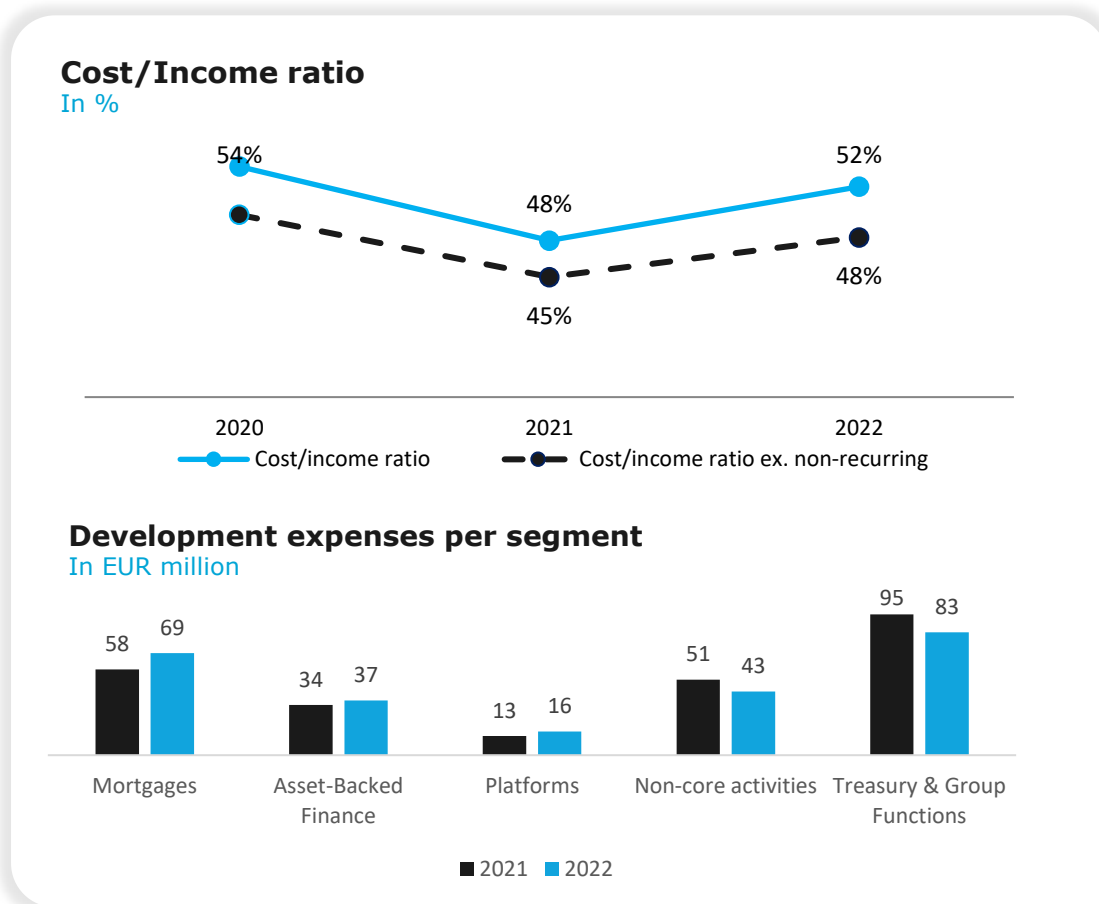
In %, as per FY 2022



- During 2022 the funding spread declined from 66bps to 34bps by year-end driven by the interest rate increases in the second half of the year by the ECB. The difference between the actual interest rate and the retail funding spread leads to an additional benefit in interest income. Trend is expected to continue for some time
- Stable retail savings and deposit base of EUR 10.6bn across the Netherlands, Germany and Belgium
- More than 90% covered by the Dutch Deposit Guarantee Scheme
- Approximately 30% are term deposits
- Early 2023 retail deposit base remains stable with increased client preference for term deposits
- Corporate deposits approximately EUR 500m

Managing operating expenses

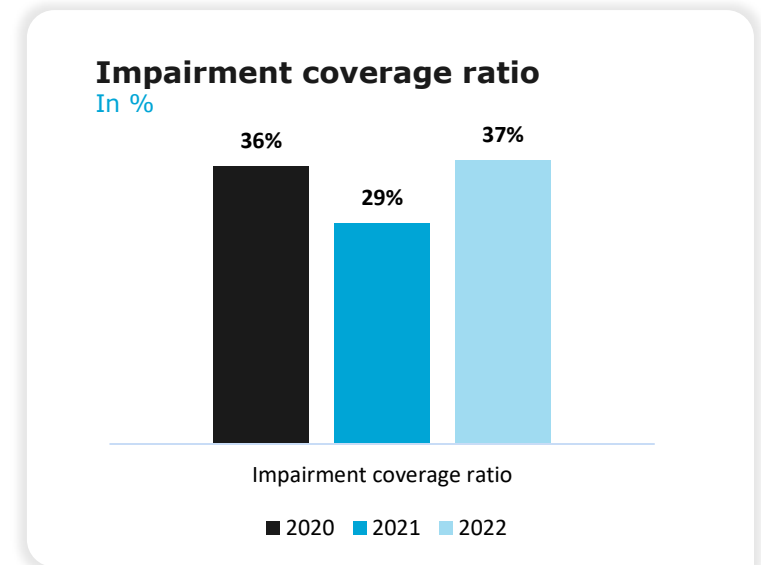
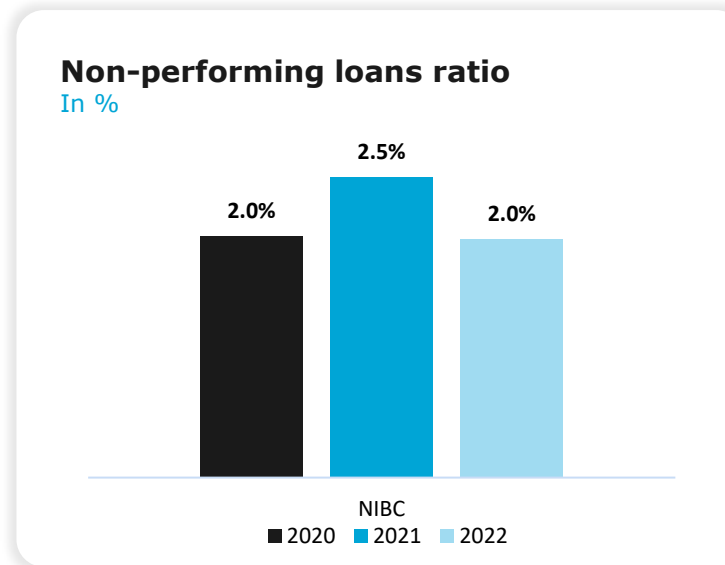
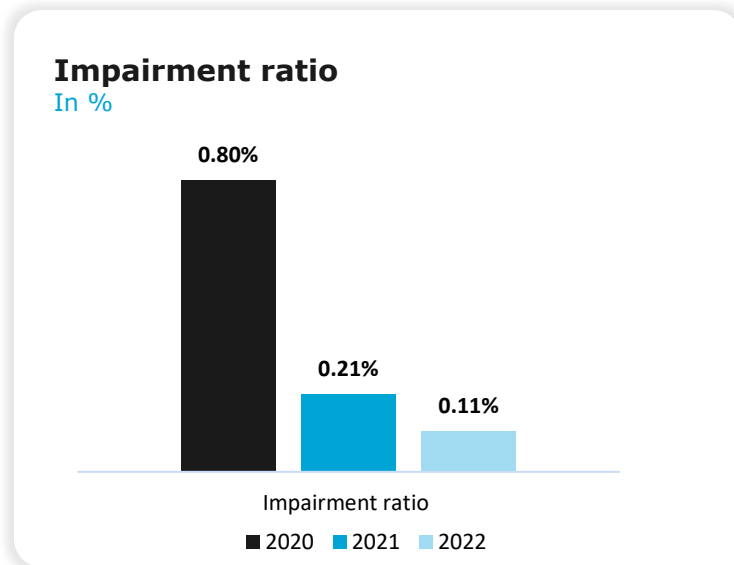
Managing expenses despite inflationary environment whilst investing in growth and transformation



- Operating expenses excluding non-recurring items have increased with EUR 13 million to EUR 245 million, compared to previous year (EUR 232 million)
- This translates into a cost/income ratio of 48% when excluding non-recurring items, slightly above our medium-term objective of 45%
- The increase that is observed in 2022 can mainly be attributed to:
 - Additional expenses for external advisors for exploring strategic opportunities in core business
 - Continued investments in technology
 - Realized growth in our core segments Mortgages, Asset-Backed Finance and Platforms leading to
- Operating expenses decreased within the segments non-core activities and Treasury & Group Functions in line with our focused strategy

De-risking reflected in low impairments

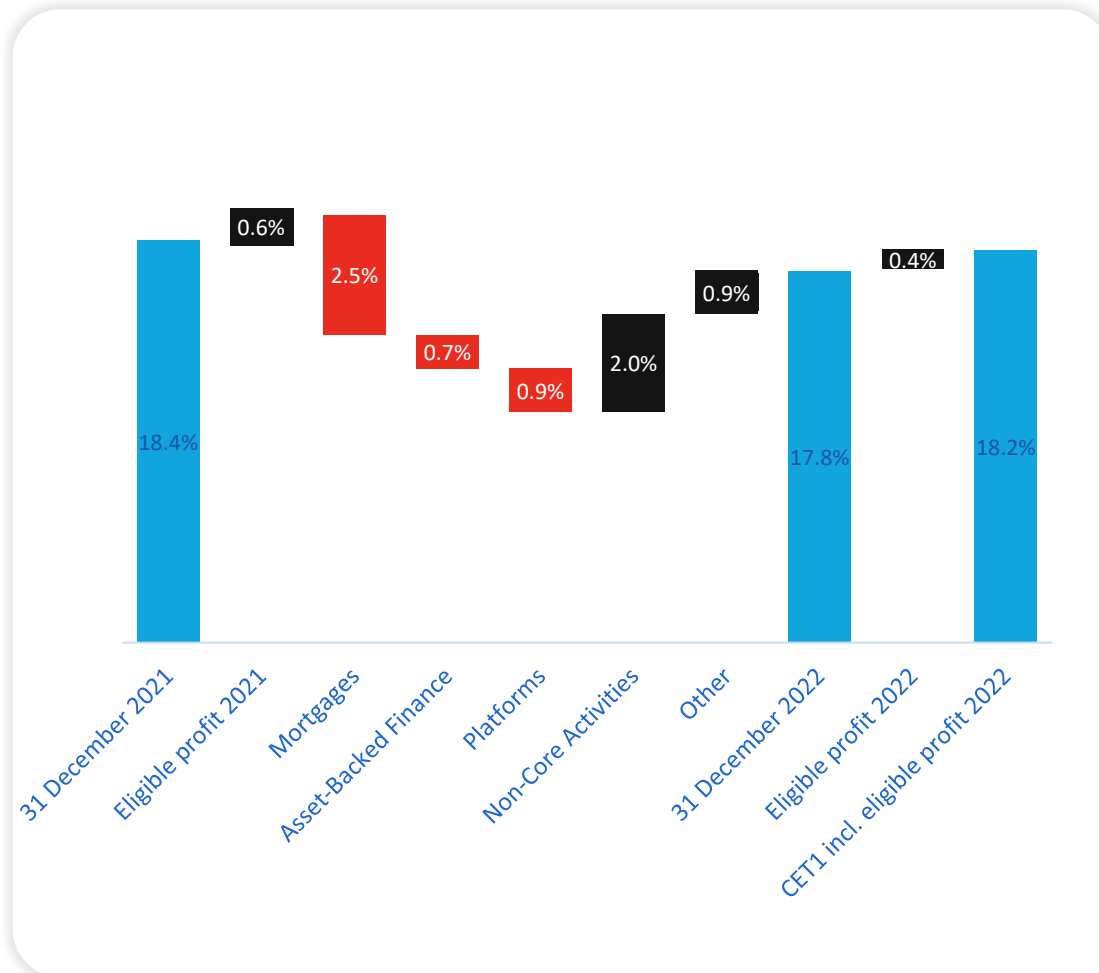
Continued efforts to improve portfolios pay off with further reduction in non-core activities



- Credit loss expenses excluding non-recurring items are EUR 30 million FY 2022 down from EUR 37 million in 2021 and key ratios all developed positively during 2022

Strong capital position

Our strong capital position remains absorbing negative impact of adjustments in Mortgages and growth of the business

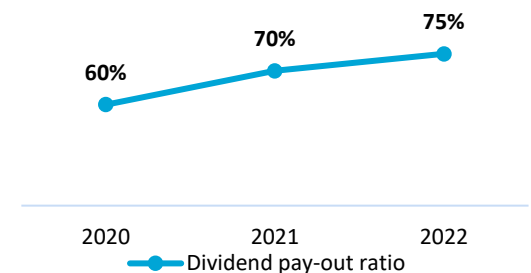
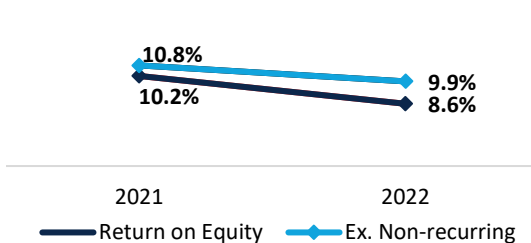


- NIBC's strong capital position is reflected in a CET 1 ratio of 17.9% at FY 2022 (18.4% at year-end 2021)
- In the Mortgages segment, the implementation of the DNB mortgage floor resulted in an increase in the effective risk weight for Dutch owner-occupied mortgage loans under the internal ratings-based approach. In addition, NIBC has increased the risk weights for BtL mortgages under the standardised approach. 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 and lastly the increase of the mortgage loan portfolio. The combined effect on the CET 1 ratio is a decrease of 2.4%-points
- The growth in the Asset-Backed Finance and Platforms segments resulted in a combined effect of 1.6% negative on the CET 1 ratio
- Reduction of the non-core portfolios, including the sale of Offshore Energy and Leveraged Finance, has led to an increase of the CET 1 ratio of approximately 2.0%-point. The anticipated sale of another part of our non-core activities segment is estimated to lead to a combined increase of the CET 1 ratio of 1.0%-point

Medium-term objectives

Based on our strong financial performance we have updated our medium-term objectives

Realisation current medium-term objectives



Year	Rating Bank (In EUR)
2020	BBB+ Negative
2021	BBB+ Stable
2022	BBB+ ¹ Stable

Return on Equity
In %

Target

10-12%

Dividend pay-out ratio
In EUR

Target

≥ 50%

Rating Bank
In EUR

Target

BBB+

Updated medium-term objectives

Return on target CET 1 capital (Previously Return on equity)

≥ 15%

Cost/Income ratio

40% - 45%

CET 1 ratio

≥ 13%

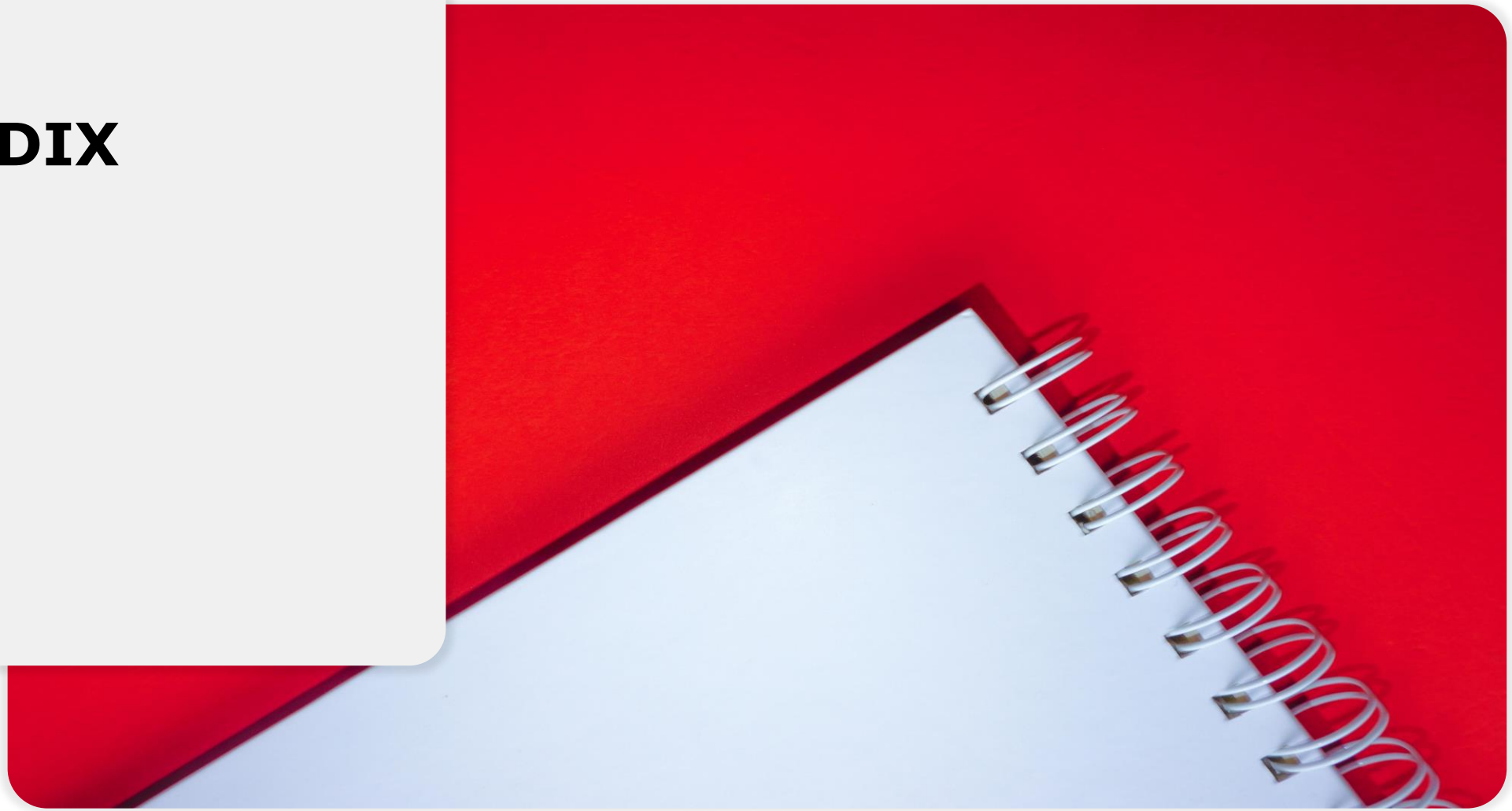
Rating bank

BBB+

Dividend pay-out ratio

≥ 50%

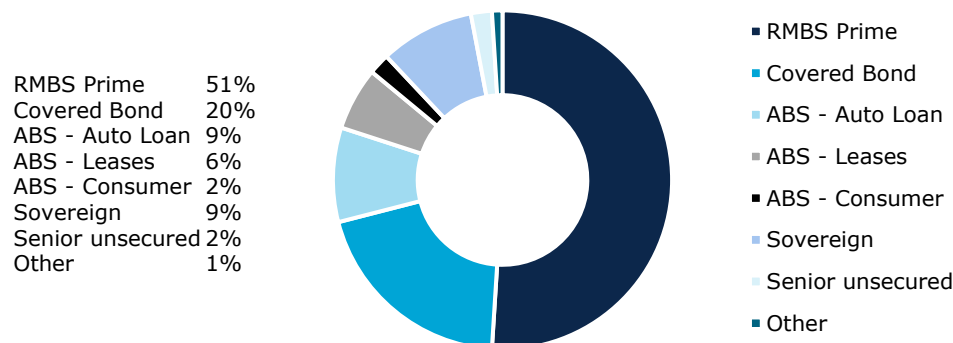
APPENDIX



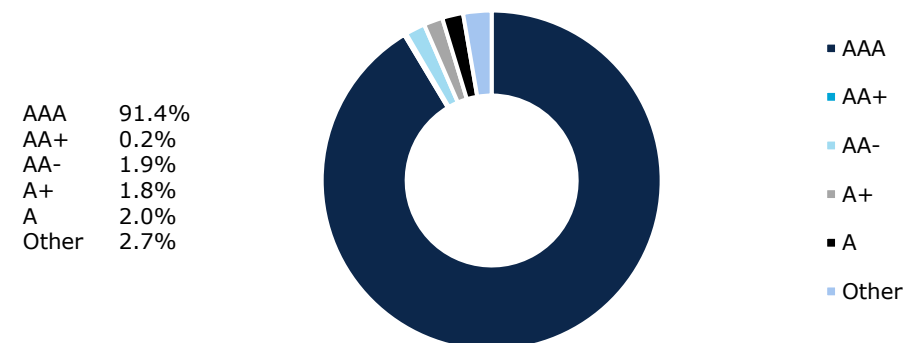
Treasury debt investments

FY 2022

ASSET CLASS BREAK-DOWN



RATINGS BREAK-DOWN



TREASURY DEBT INVESTMENTS

- Treasury debt investments of approximately EUR 875m
- WAL 2.2yrs
- Floating or hedged to floating 81%
- More than 90% AAA
- All Treasury debt investments are accounted for as fair-value-through-other-comprehensive-income (FVOCI) or fair-value-through P&L (FVtPL)
- No material changes to our Treasury debt investment portfolios since the start of 2023

Balance sheet

Stable balance sheet with a changing composition as a result of our focused strategy

Assets

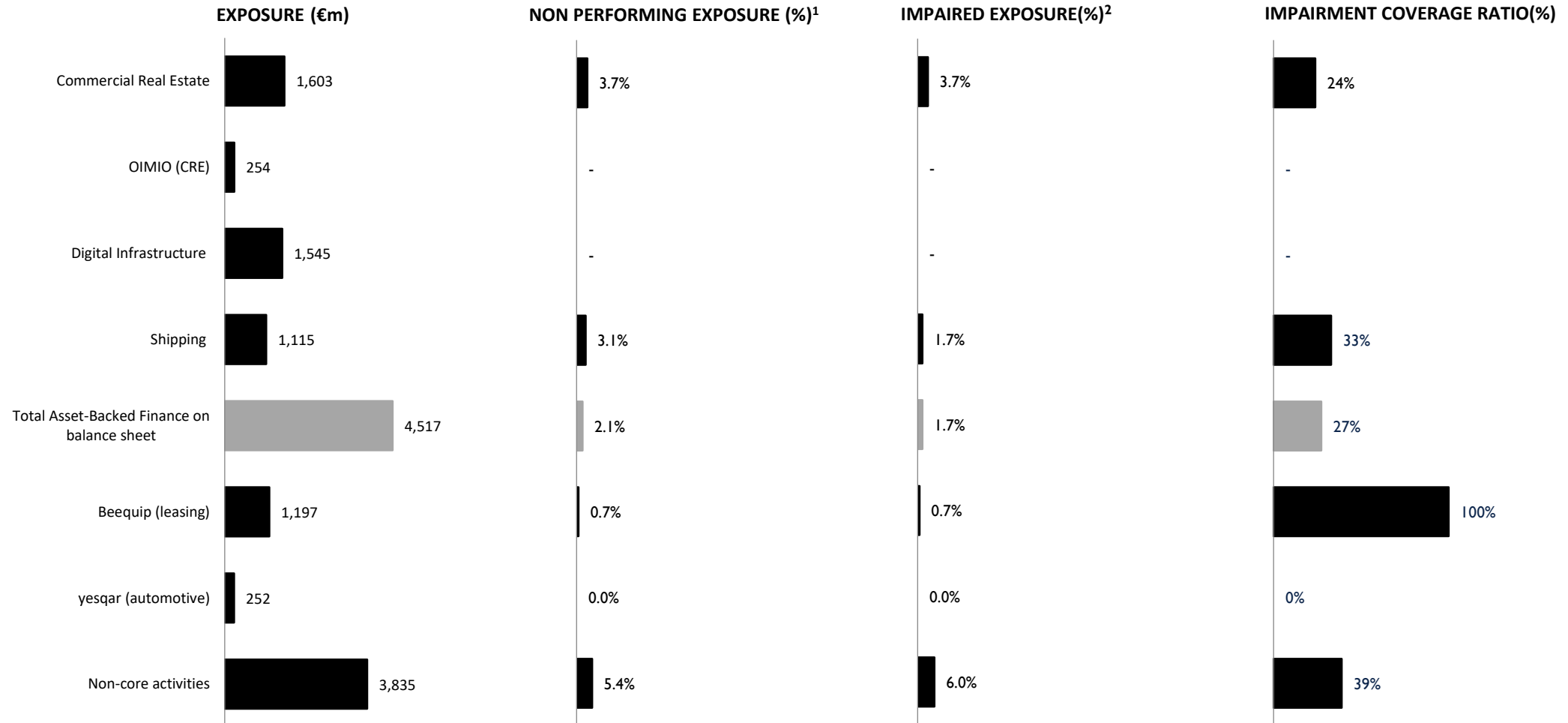
in EUR millions	2022	2021	2020
Cash and banks	2.948	2.614	2.580
Loans	5.164	5.673	5.779
Lease receivables	1.090	781	613
Mortgage loans	11.990	11.940	10.245
Debt investments	876	924	977
Equity investments	166	237	226
Derivatives	162	334	494
All other assets	411	218	211
Total assets	22.807	22.722	21.125

Liabilities and equity

in EUR millions	2022	2021	2020
Retail funding	10.310	10.549	10.244
Funding from securitised mortgage loans	221	267	327
Covered bonds	4.016	4.011	3.004
ESF (including other deposits GE)	240	298	383
All other senior funding	5.294	4.939	4.595
Tier 1 and subordinated funding	202	263	278
Derivatives	232	154	100
All other liabilities	128	154	179
Total liabilities	20.643	20.636	19.110
Equity attributable to shareholders of the company	1.964	1.886	1.815
Capital securities (non-controlling interest)	200	200	200
Equity attributable to non-controlling interests			
Total liabilities and shareholders equity	22.807	22.722	21.125

Corporate Portfolio Management

Loan portfolio well spread across (sub-) sectors (FY 2022)



Disclaimer

This presentation (including the information and opinions presented therein) (Information) is confidential and is not to be circulated to any person or entity without the prior written consent of NIBC Bank N.V. References to NIBC Bank N.V. should be interpreted to include any of its affiliates or subsidiaries.

The Information has been obtained or derived from sources believed by NIBC Bank N.V. to be reliable at the date of publication of this presentation. However, no representations are made as to its accuracy or completeness. The Information may be subject to change, and NIBC Bank N.V. assumes no undertaking to revise or amend the Information provided, or to provide any update in respect of any change related thereto. NIBC Bank N.V. accepts no liability for loss arising from the use of the Information. The Information is: (i) for discussion purposes only; (ii) not to be regarded as (investment) advice; and (iii) not to be relied upon in substitution for the exercise of independent and sound judgement .

This document does not constitute any commitment or any offer to commit to any transaction or financing by NIBC Bank N.V. Entering into such a commitment or making such an offer shall be subject to – inter alia – the satisfactory completion of a due diligence examination, obtaining internal credit approvals, as well as the execution of transaction documentation in a form and substance acceptable to NIBC Bank N.V. Any commitment or any offer to enter into any commitment shall be effected on the basis of the executed documentation only.