PRESS RELEASE

The Hague, 25 February 2020

NIBC reports strong performance in FY 2019 with net profit of EUR 194 million and final dividend of EUR 0.53 per share

Business highlights:

- Mortgage loan origination up in 2019 to EUR 3.7 billion (FY 2018: EUR 3.4 billion), resulting in a market share of 4.1%. The on-balance portfolio grew by nearly 6% to EUR 9.8 billion, while the originate-to-manage (OTM) portfolio grew by EUR 1.9 billion, an increase of 79% following the increased mandate with multiple institutional insurers to EUR 6.5 billion at year end;
- Continuous rebalancing of our corporate lending portfolios to further de-risk our exposures have led to deliberate reductions in Leveraged Finance, Energy and Shipping and are being offset by growth in Commercial Real Estate, Receivables Finance and Digital Infrastructure, resulting in a stable portfolio of EUR 9.9 billion;
- Our growth engines Beequip and Buy-to-Let continue to support our overall growth with double-digit percentages. NIBC's entrepreneurial culture further drives the development of new growth ventures like Lendex (fully digital consumer lending at restricted point-of-sale), OIMIO (small commercial real estate) as well as our new mortgage label LOT.

Financial highlights:

- Strong operating income in 2019 of EUR 537 million with:
  - Net interest income stable at EUR 426 million, despite low-for-longer now being a reality;
  - Strong investment income driven by favourable equity markets;
  - Fee income stable without last year's one-off fees, benefitting from our new OTM initiatives;
- Fully-loaded cost/income ratio of 44%, including IT transition costs, regulatory projects and EUR 9 million provision for the discontinuation of the capital markets activities;
- Return on Equity of 11.4% for the full year 2019, in line with our medium term objective;
- Solid CET I ratio of 17.1%, including the RWA increase following the Internal Model Investigation (IMI) outcomes, and excluding retained profit from the second half of 2019. Including retained profit CET 1 ratio of 17.7%;
- Final dividend announced of EUR 0.53 per share, which together with the paid-out interim-dividend of EUR 0.25 amounts to EUR 0.78 total dividend over 2019.

Statement of the CEO, Paulus de Wilt:

“Driven by our entrepreneurial culture, 2019 has proven to be another strong year for NIBC. On the backdrop of increasing global uncertainty on both a geopolitical and macro-economic level, we continued to rebalance and de-risk our portfolios, whilst remaining focused on growth and new initiatives. Supported by our core values of being Professional, Entrepreneurial and Inventive, we again are meeting all of our medium-term objectives, and continue to deliver upon our promises.

Our capital position remains strong, including the 30% increase in RWA’s on our corporate loan portfolios following the IMI outcome in August of 2019. We continue to be well positioned for Basel IV before mitigation actions. The solvency ratios at year end continue to be comfortably above our SREP levels and provide us with sufficient buffers to comply with Basel IV regulations, as also reflected by our leverage ratio of 7.1% at year-end 2019.

By meeting all our medium-term objectives with return on equity (ROE) of 11.4% and a strong capital position shown by a CET1 ratio of 17.1%, and underpinned by the overall strong performance over 2019, we propose a final dividend of EUR 0.53 per share, totalling to a full dividend for 2019 of EUR 0.78 per share.

Looking at the world around us, 2019 has also been a year in which the banking industry continued to face many challenges. With a low-for-longer interest environment now a reality, and negative interest on retail savings slowly being introduced amongst European banks, the banking industry is reshaping its form. As NIBC, we are able to react quickly to these outside challenges and adapt our business proposition. And in that, we don’t shy away from making clear decisions. Recently we announced the sharpened focus within our corporate client offering as well as the closing down of our Markets business (fixed income, debt capital markets, equity capital markets). Further challenges come from the regulatory side, ranging from capital related issues such as IMI to compliance related issues such as SIRA, KYC and AML. NIBC is well in control and as our business model, as opposed to universal banks, does not provide for current accounts, we are less vulnerable to these regulatory issues. Nevertheless, the cost to comply and uncertainty as to future developments in regulatory requirements is inevitably casting its shadow to the license to operate for banks in general.

NIBC benefitted from the Dutch economy that remained solid throughout the year. Nevertheless, the uncertainty on a global level with Brexit becoming a reality at the end of January 2020, trade wars glooming and the increasing effects related to the outbreak of the corona virus, the fears for a turn of the economic cycle continue to grow. At the core of our strategy is our ability to re-balance and reinvent our business. By continuously adapting to the changing environment, we have significantly reduced corporate client exposures by more than EUR 750 million in 2019, mainly in the more cyclical sectors like Energy, Leveraged Finance, and Shipping, whilst growing in more granular portfolios, such as Receivables Finance and Leasing. In total, the corporate lending portfolio decreased only by approximately EUR 150 million as we continue to prudently originate and follow our clients through the cycle by supporting them in their growth ambitions.

Our ambition for growth thus remains unchanged, as we continue to expand our ‘originate-to-manage’ activities both on the retail and corporate side of the business. Consequently, we continuously create room for new initiatives that have higher margins and sufficient growth potential in combination with scalability and supported by data driven technology. We are positive about the partnerships with Fintechs in which we have invested, like iwoca, Finleap, and Ebury. In a broader context, our equity positions again proved to be a natural balance against the low-for-longer environment. Various revaluations as well as some favorable (potential) exits were again positive drivers of our investment income. Last but not least, we signed a contract with OakNorth following the pilot that ran last year, in which we use their platform for our client review process.

Although we are not a market share player and continue to aim for ‘margin over volume’, we clearly see that our dual track strategy, originating for both our own balance sheet and for our originate-to-manage (OTM) partners, has led to increased volumes in the retail client side, underpinning our ability to originate in the current environment. Within the mortgage offering a new label LOT, positioned as a mortgage with a particular focus on supporting sustainability, was recently introduced to further accelerate our OTM offering. In addition to that we are pleased with our new consumer lending initiative Lendex for which we are preparing a launch in the coming months.

Other proud initiatives include the recent launch of OIMIO, providing small commercial real estate financing in the Netherlands and the first fully ESG-compliant CLO that we launched in the fourth quarter.

Looking at the business volumes in 2019, origination continued to be strong on the retail client side, with total origination of EUR 3.7 billion. Our mortgage portfolio for own book grew by EUR 0.5 billion (+6%) to EUR 9.8 billion and the originate-to-manage (OTM) portfolio grew by almost EUR 1.9 billion (+79%) to EUR 4.3 billion. Total OTM-mandates increased to almost EUR 6.5 billion by securing additional contracts with new institutional investors, allowing us to offer the entire suite of tenors to our clients as well as attract new clients. The Buy-to-Let market in the Netherlands remains to develop favorably as reflected in an 12% increase of our portfolio to EUR 0.7 billion in 2019.

On the corporate client side, despite significant reductions in some of the more cyclical sectors, overall volume was relatively stable in 2019, highlighting our ability to rebalance, de-risk, reinvent and steer our business. Origination margins are unfortunately still under pressure, and combined with the focus on quality instead of quantity, overall margin of the book decreased slightly.

Our now fully owned venture Beequip is performing well as the portfolio grew from EUR 400 million at the end of 2018 to around EUR 500 million at year end 2019. In the second half of 2019 we saw a certain slowdown of the used equipment lease market due to the nitrogen and PFAS issues in the Netherlands.

From a governance perspective, 2019 was also the year that Wim van den Goorbergh stepped down as Chairman of the Supervisory Board to be succeeded by Dick Sluimers. I am grateful for Wim's leadership and thoughtful guidance and thank him for his contribution and support over the many past years. At the EGM at the end of August 2019, Jeroen Kremers was appointed as a new Member of the Supervisory Board.

On 14 February 2020, we announced to be in discussions on a possible cash offer by Blackstone. On 25 February we announced to have formally taken the next step in signing the Merger Protocol, details of which can be found in the separate press release available through our website. With Blackstone, NIBC will be equipped to even further improve on its success and I look forward to drive long-term sustainable growth in this new chapter for NIBC.

I am proud that we are again delivering on our promises. Despite uncertainty and challenges in the markets around us, I remain confident about our future and I look forward to engage with our potential new shareholder Blackstone. Strengthened by our Think-Yes mentality, we are able to continuously adapt ourselves to the demanding markets and increasing requirements. For that, I am grateful to all our employees, for their never-failing commitment to be there for our clients at their decisive moments, for their flexibility in these turbulent times, and their continued focus to build new profitable growth well into the future."

NIBC Holding N.V. – Key Figures

in EUR millions	IFRS 9 2019	IFRS 9 2018	IAS 39 2017
Operating income	**537**	**551**	**559**
Operating expenses	**237**	**239**	**233**
Net operating income	**300**	**312**	**326**
Credit loss expense / (recovery)	49	54	56
Tax	45	29	54
Profit after tax	**206**	**229**	**216**
Profit attributable to non-controlling shareholders (AT-1)	12	12	3
Profit after tax attributable to shareholders	**194**	**217**	**213**
Return on equity	11.4%	13.6%	11.9%
CET 1 ratio	17.1%	18.5%	19.3%
Cost/income ratio	44%	43%	42%
Credit rating	BBB+ Stable Outlook	BBB Positive Outlook	BBB

Financial Calendar

Publication FY 2019 Annual report	25 February 2020
Annual General Meeting of Shareholders (AGM)	17 April 2020

We refer to our Annual Year Report 2019 NIBC Holding N.V. published on our website, for full details.

For more information, please refer to our website http://www.nibc.com or contact:

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About NIBC

NIBC is best suited to help entrepreneurs at their decisive moments. Now and in the future. As a bank for entrepreneurs, we are committed to cultivating our 'THINK YES' mentality by being flexible and agile and by matching our clients' can-do attitude. We support our corporate clients in building their businesses. For our retail clients in the Netherlands, Germany and Belgium we offer mortgages, online savings and brokerage products that are accessible, easy to understand and fairly priced. Operating in the Netherlands (The Hague and Amsterdam), Germany and UK, our corporate clients business (mainly mid-market) offers advice and debt, mezzanine and equity financing solutions to entrepreneurs across select sectors and sub-sectors in which we have strong expertise and market positions. The mid-market is dynamic by nature and requires a bank that can respond quickly and in a highly flexible way. Our aim is to meet the market's requirements at decisive moments such as mergers and acquisitions, management buy-outs, investments and strategic financings and re-financings.
You can read more about NIBC on www.nibc.com.

Notes to the press release
Parts of this press release contain inside information within the meaning of article 7 of Regulation (EU) No 596/2014 (Market Abuse Regulation). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in NIBC Holding N.V.

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.