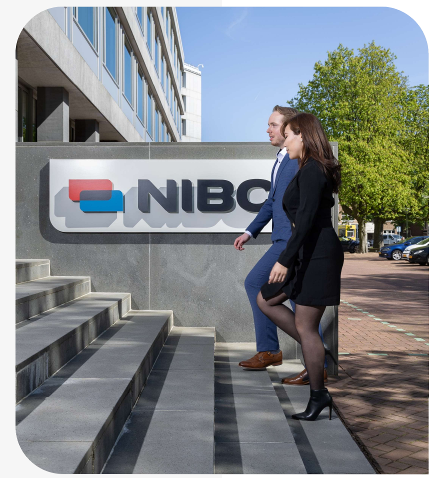
NIBC Full Year Results 2023

8 March 2024



NIBC

Agenda

- At a Glance — Paulus de Wilt
- Financial Results — Claire Dumas
- Q&A

At a Glance

Paulus de Wilt

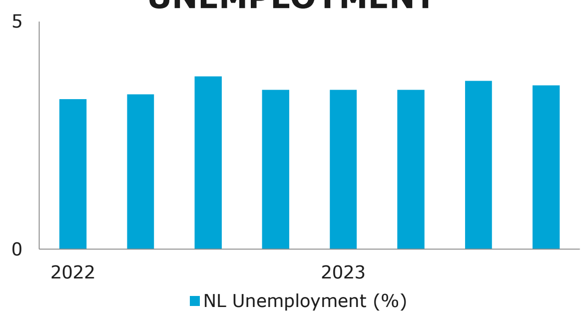
NIBC

The world around us

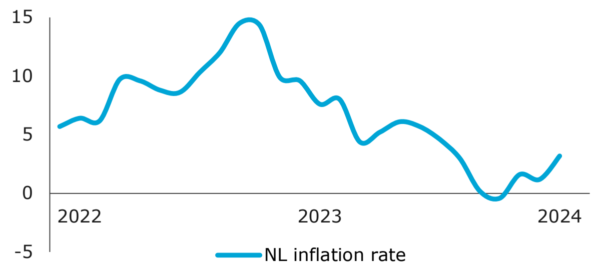
Changing economic environment

RESILIENT DUTCH ECONOMY...

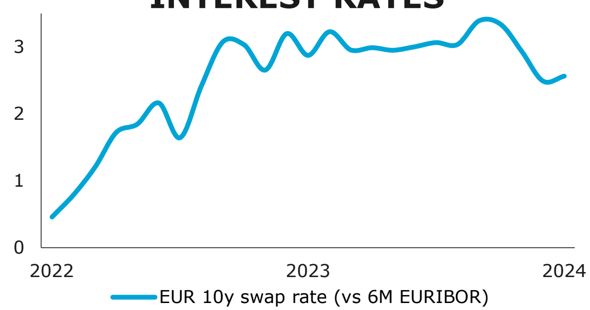
...WITH LOW LEVEL OF UNEMPLOYMENT



INFLATION TRENDING LOWER...



...COMBINED WITH HIGHER INTEREST RATES



DUTCH ECONOMY, SOLID FUNDAMENTALS

- International and highly competitive economy
- Resilient housing market, housing prices picking up again

CHALLENGES FOR 2024

- Rate hike cycle by central banks is at its end, focus of financial markets on timing and pace of rate cuts
- Economic growth is expected to be modest
- Geopolitical tensions with some negative economic spillovers

Against this backdrop, NIBC reports a strong FY result

NIBC shows continued growth and enhanced efficiency

NET PROFIT	COST/INCOME RATIO	RETURN ON EQUITY
EUR 204 million	**44%**	**10.9%**
(vs FY 2022 +32%)	(FY 2022 52%)	(FY 2022 8.6%)

NET INTEREST MARGIN	CET 1 RATIO	RETURN ON TARGET CET 1 CAPITAL 13%
2.06%	**18.8%**	**16.5%**
(vs FY 2022 +15 bps)	(FY 2022 17.8%)	(FY 2022 11.6%)

Successful execution of our focused strategy

Growth core activities, discontinuation non-core activities

GROWTH CORE ACTIVITIES

Exposure increased with EUR 2.0 billion

Mortgages
+6%

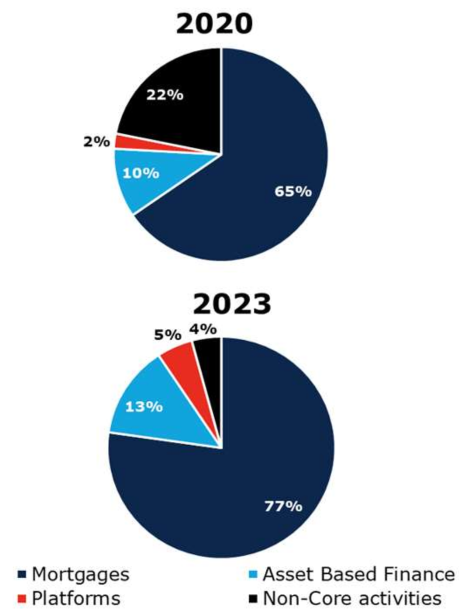
Asset Based Finance
+4%

Platforms
+23%

Savings
+7%

TRANSFORMATION ASSET MIX

Including OTM



NON-CORE ACTIVITIES

Exposure in 2023 decreased with EUR 2.4 billion to EUR 1.5 billion

-62%
Vs FY 2022

2023

Three non-recurring portfolios sold:

- CLO Platform
- Equity Investment Activities
- Remainder of the Leveraged Finance Portfolio

2022

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

Dedicated strategy execution

Our focused business model allows for strong performance

MORTGAGES

+6%

- Total loan portfolio EUR 26.9 bn (2022: EUR 25.5 bn)
- Origination: EUR 3.3 billion (2022: EUR 6.1 billion)
- Servicing ~200k clients
- Market share 4.2%
- Lot Hypotheken has won the ‘Groene Lotus Award’ and for the second time in a row the 'Gouden Lotus Award' in the category new entrants

ASSET BASED FINANCE

+4%

- Exposure EUR 4.7 billion (2022: EUR 4.5 billion)
- Origination: EUR 1.7 billion
- Servicing ~500 clients
- Focus on continuing growth in core portfolios
- Strong quality portfolio with no losses

PLATFORMS

+23%

- Exposure EUR 1.8 Billion (2022: EUR 1.4 billion)
- Origination: EUR 0.8 billion
- Servicing ~5000 clients
- yesqar: largest challenger in automotive sector
- Beequip: largest alternative SME financier

Additional highlights 2023

ESG

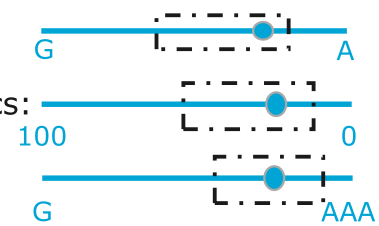
- 'Groene Lotus award' for Lot Hypotheken within the new entrants' category
- 9.14 % Green Asset Ratio (GAR)
- 54% reduction in Scope 1, 2 and 3 Emissions from 2022, 82% reduction from 2019 baseline
- NIBC' ESG strategy to support clients in their sustainability journey across all core asset classes

RATING

- Fitch[1]: BBB+, positive outlook
- S&P[1]: BBB, stable outlook
- Moody's[1]: A3, stable outlook

ESG ratings:

- ISS: C+/Prime
- Sustainalytics: 18.3
- MSCI: A



OTHER

- Net promoter score corporate lending: +87% (2022: +86%)
- NIBC mortgages customer survey score: 8.3 (2022: 8.5)
- NIBC savings customer survey score: 8.0 (2022: 8.1)
- Male/female ratio improved to 64%/36%
- Gender balance achieved in Managing Board
- New brand identity launched:

NIBC the entrepreneurial bank

1. Reported ratings are based on NIBC's senior preferred debt ratings

Financial results

Claire Dumas

P&L NIBC

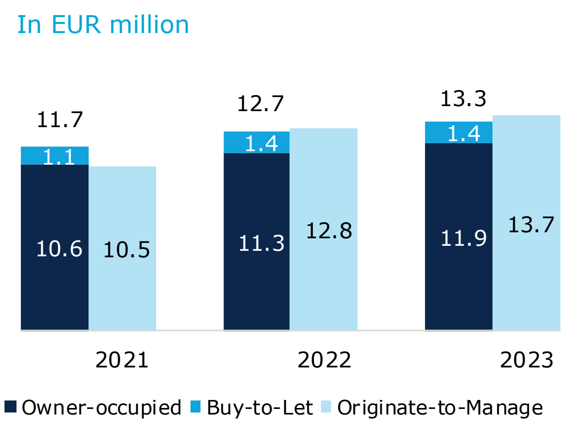
Strong performance 2023, driven by increased net interest income and good cost control

in EUR millions	H2	H1	Change	2023	2022	Change
Net interest income	235	227	4%	463	423	9%
Net fee and commission income	21	20	2%	41	47	(14%)
Investment income	(5)	3		(2)	39	
Other income	27	17	59%	43	(36)	
Operating income	277	268	4%	545	473	15%
Operating expenses	119	118	1%	237	247	(4%)
Net operating income	158	149	6%	308	226	36%
Credit loss expense / (recovery)	13	12	16%	25	20	22%
Gains or (losses) on disposal of assets	(1)	8		7	(2)	
Tax	36	37	(2%)	73	37	99%
Profit after tax	108	109	(1%)	216	167	30%
Profit attributable to non-controlling shareholders (AT-1)	6	6	-	12	12	-
Profit after tax attributable to shareholders	102	103	(1%)	204	155	32%

Growth in all operating segments

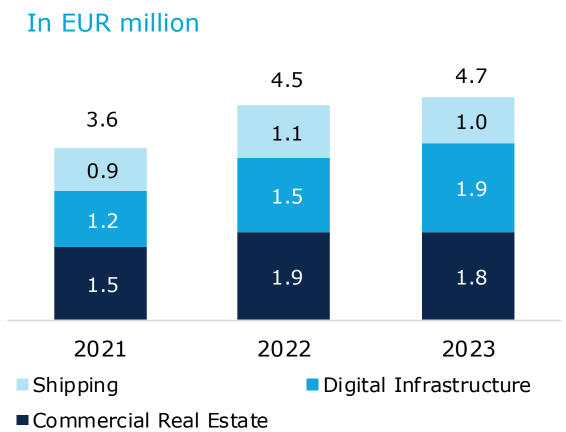
Focused strategy is paying off

Mortgages



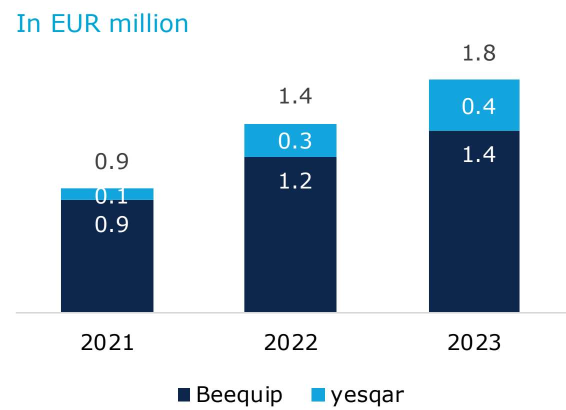
+6%

Asset Based Finance



+4%

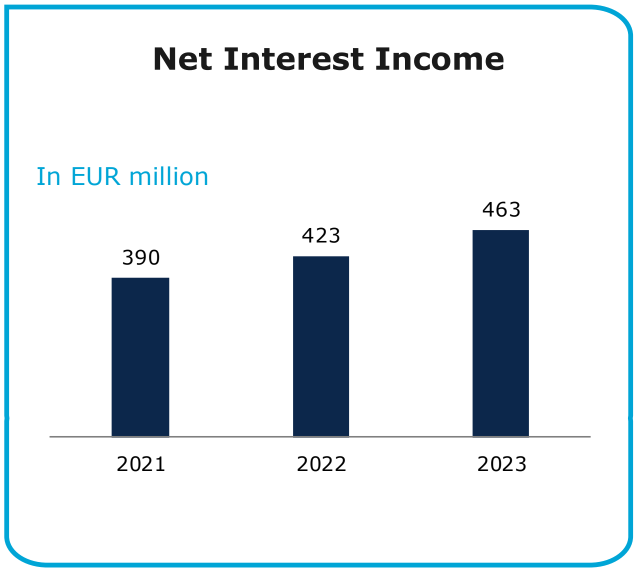
Platforms

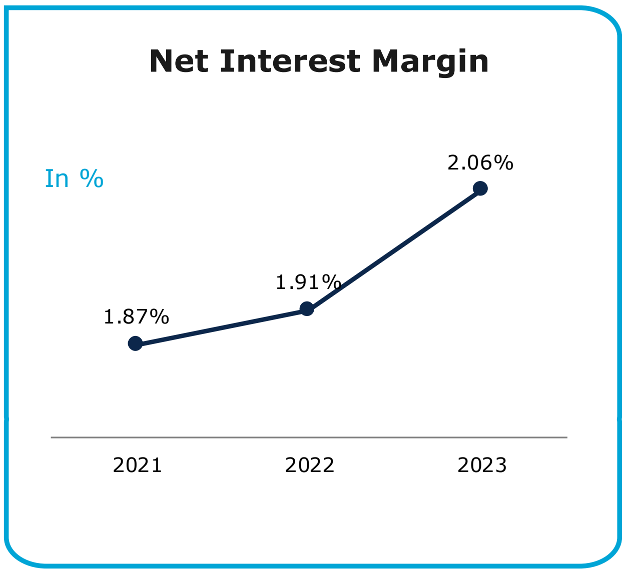


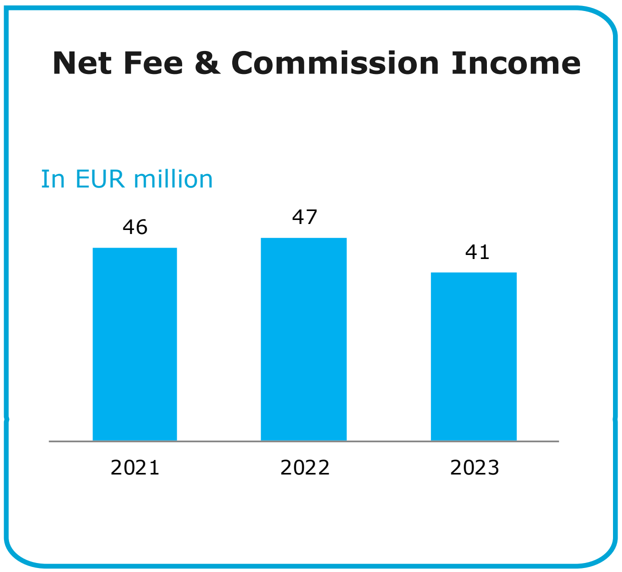
+23%

Improved base for future income generation

Continued growth in core asset classes and increased profitability with a NIM of 206bps



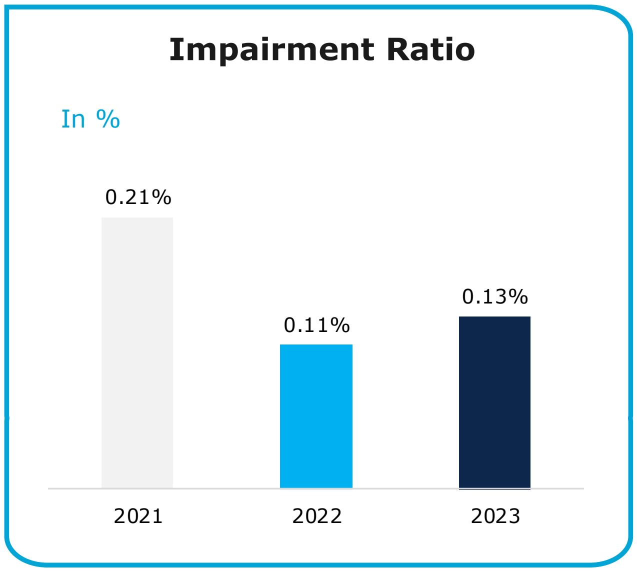


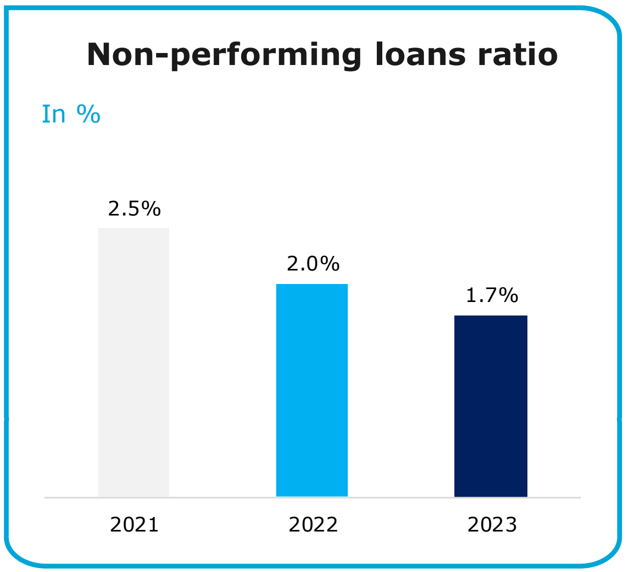


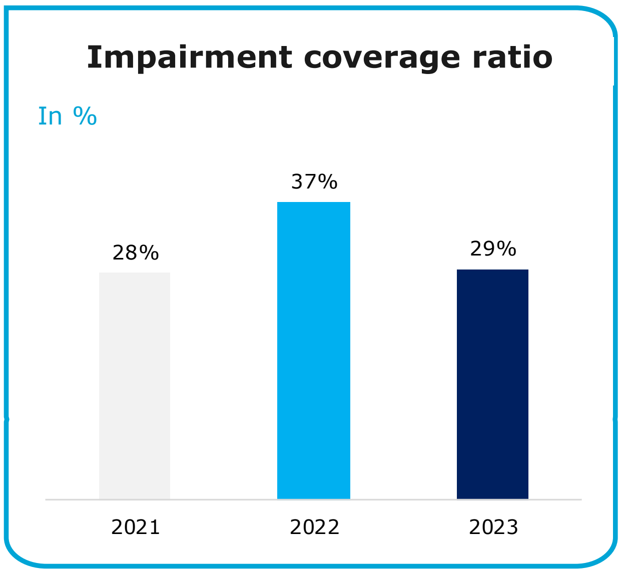
- Net Interest Income increased with EUR 40 million to EUR 463 million, 9% up compared to FY 2022, mainly driven by the strong performance in our core asset classes and positive developments in funding costs
- Net Fee & Commission income decreased in line with our strategy from EUR 47 million to EUR 41 million mainly driven by the sale of our CLO platform

De-risking reflected in low impairments

Credit losses also remain moderate in 2023 at EUR 25 million







Credit losses remain moderate also in 2023 at EUR 25 million:

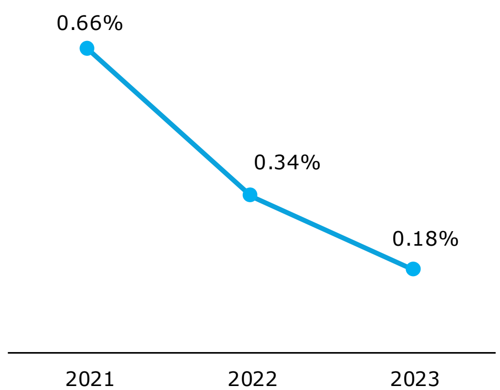
- Impairments Asset Based Finance are close to zero.
- Impairment Mortgages also close to zero but includes management overlay due to the challenging macro-economic environment.
- Impairments non-core amounts to EUR 19 million largely driven by individual impairments on non-performing clients.
- Impairments Platforms amounts to EUR 5 million.

Liquidity management

Funding spread further declined mainly due to a lower spread in retail savings

Funding spread development

In %



Key ratios

Liquidity Coverage Ratio

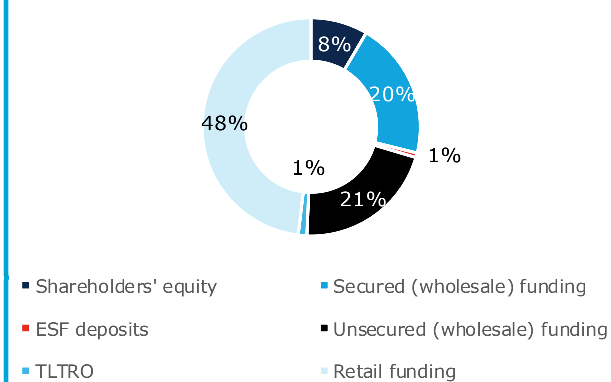
243%

Net Stable Funding Ratio

131%

Funding composition

In %

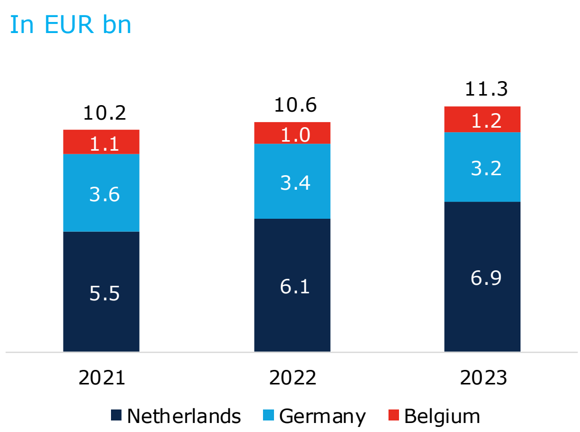


- During 2023 the funding spread further declined from 34bps to 18bps driven by interest rate increases by the ECB. The difference between the actual interest rate and the retail funding spread leads to an additional benefit in interest income. The positive trend is expected to be near or at its end
- Strong key liquidity ratios with an LCR of 243% and a NSFR of 131%. Both ratios increased compared to previous period through continued prudent approach in these volatile markets
- In 2023 NIBC issued a EUR 500 million fixed rate senior non-preferred bond with a maturity of two and a half years, another senior non-preferred bond of EUR 500 million with a maturity of five years and a Soft bullet Covered bond of EUR 500 million with a maturity of seven years

Retail Savings

Total volume retail savings increasing driven by higher volumes in the Netherlands

Development Retail Savings



New clients NL

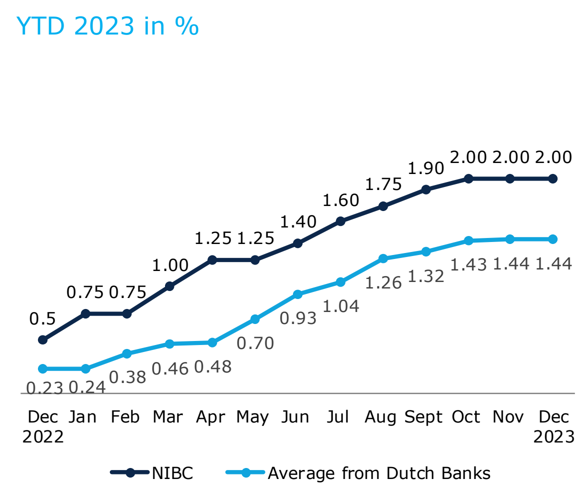
Successful marketing campaign on term deposit 1-year

15,000

Savings on demand NL

2.00%

Development on demand Interest rate NL



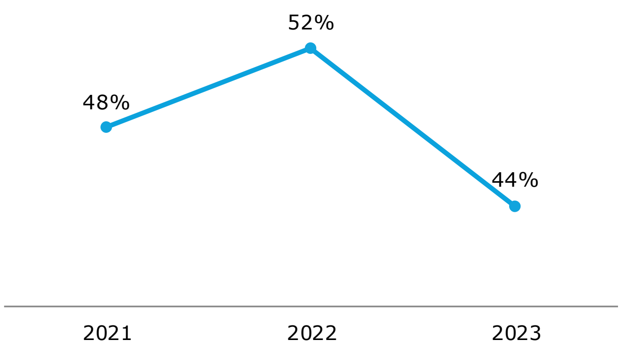
1 Source: ECB published data via Eurostat. Specific column used: Bank interest rates - deposits redeemable at notice of up to three months - Netherlands (MIR.M.NL.B.L23.D.R.A.2250.EUR.N)

Decreasing operating expenses

Managing expenses despite inflationary environment whilst investing in growth and data

Cost/Income Ratio

Including regulatory charges



Operating Expenses

EUR 237 million

Vs 2022: 247 million

-4%

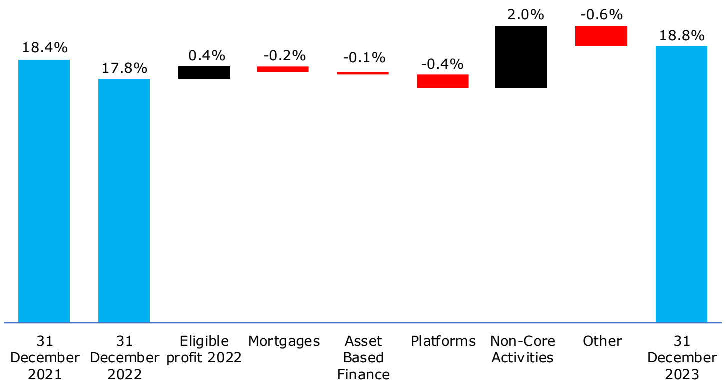
Vs 2022

Observations

- Cost/Income ratio is within target, with our medium-term objective bandwidth set at 40%-45%
- Decrease compared to FY 2022 mainly driven by:
  - Lower expenses on consultants and projects
  - Lower process outsourcing expenses due to lower origination volumes within the mortgage portfolios

Improved capital position

CET 1 ratio has improved due to reduction non-core portfolio and addition net profit 2022



- NIBC has a strong capital position reflected in the CET 1 ratio of 18.8%.
- Forward looking: the CET 1 ratio is expected to decrease with 1.7%-2.4% net for 2 changes:
  - implementation internal model corporate exposures (increase RWA end 2024 with 25%-30%)
  - implementation Basel 4 2025 (decrease RWA 15-20% start Basel 4)
- Exploration merger NIBC Bank and NIBC Holding. The estimated impact is 0.8% improvement Tier 1 ratio and total capital ratio

Medium-Term Objectives

Based on our strong financial performance, we meet all medium-term objectives

	Target		2023
Return on target CET 1 capital	≥ 15%	✓	**16.5%**
Cost Income Ratio	40-45%	✓	**44%**
Common Equity Tier 1 ratio	≥ 13%	✓	**18.8%**
Rating Bank[1]	BBB+	✓	**BBB+**
Dividend pay-out ratio	≥ 50%	✓	**100%**

1 Reported rating is based on the average of the senior preferred debt rating as issued by the different rating agencies (current rating: Fitch: BBB+ Positive, Moody's: A3 Stable, S&P: BBB Stable)

Q&A

Paulus de Wilt, CEO

Claire Dumas, CFO

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