FINANCIAL DRIVERS Q3 YEAR TO DATE 2018

Herman Dijkhuizen, CFO

All figures Q3 2018 are unaudited / not reviewed

All financials relate to NIBC Holding

PERFORMANCE Q3 2018

Above medium-term objectives contributing to building the dividend curve

	Medium term objective	H1 2018	YTD Q3 2018
CET 1	> 14%	16.4%	16.8% ✓
Cost Income	< 45%	47%	43% ✓
Return on equity[1]	>10-12%	10.5%	13.4% ✓

EPS[1]
H1 2018
1.15 ✓
YTD Q3 2018
1.46 ✓

Dividend
H1 2018
€ 37 million ✓ (€ 0.25 per share)
Q3 2018
€ 37 million ✓ (€ 0.25 per share)

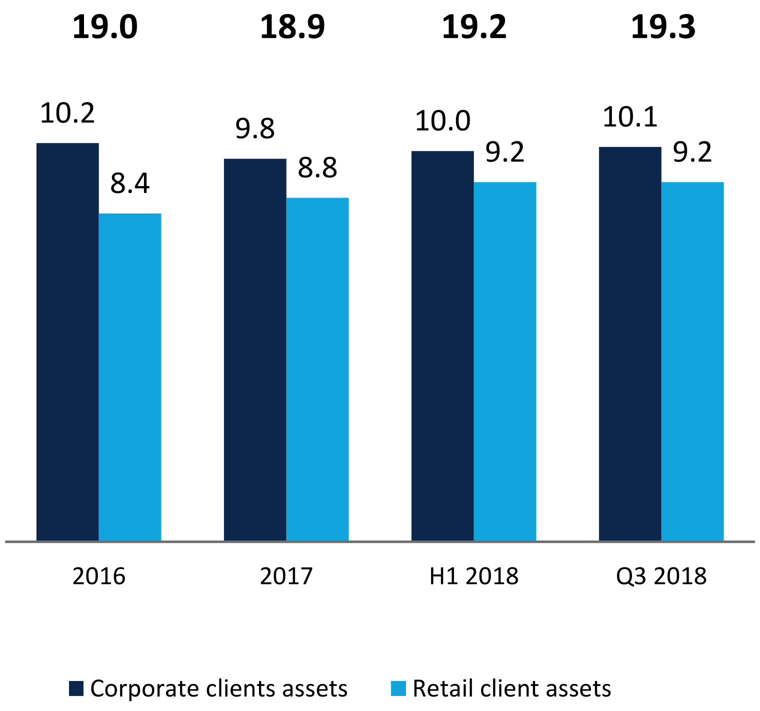
[1] *Annualized*

FURTHER GROWTH IN 2018

Development of commercial assets

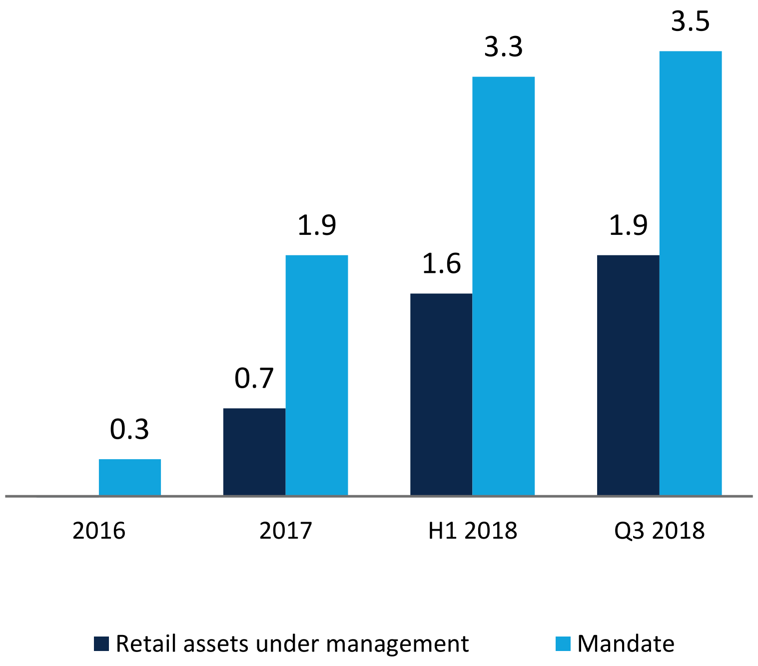
CLIENT ASSETS FOR OWN BOOK[1]

(Euro billions)



MORTGAGES ORIGINATE TO MANAGE

(Euro billions)



CONTINUED REBALANCING OF THE PORTFOLIO

We are rebalancing the portfolio, grasping opportunities in segments that make the portfolio more granular:

- The mortgage loan portfolio for own book increased by 5% in 2018
- The mortgage loan portfolio in OTM nearly tripled in 2018
- Corporate client assets increased by 3% in 2018

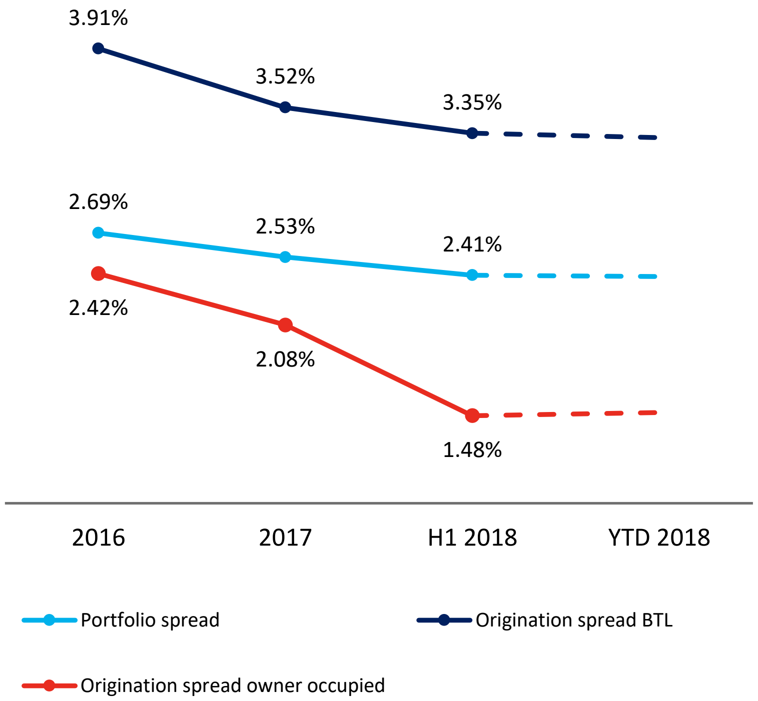
[1] *Retail client assets for 2016 and 2017 exclude the fair value adjustment, making the figures comparable to the IFRS 9 figures of 2018*

DEVELOPMENTS IN PORTFOLIO SPREADS

Slightly higher portfolio volumes at relatively stable asset spreads in 2018

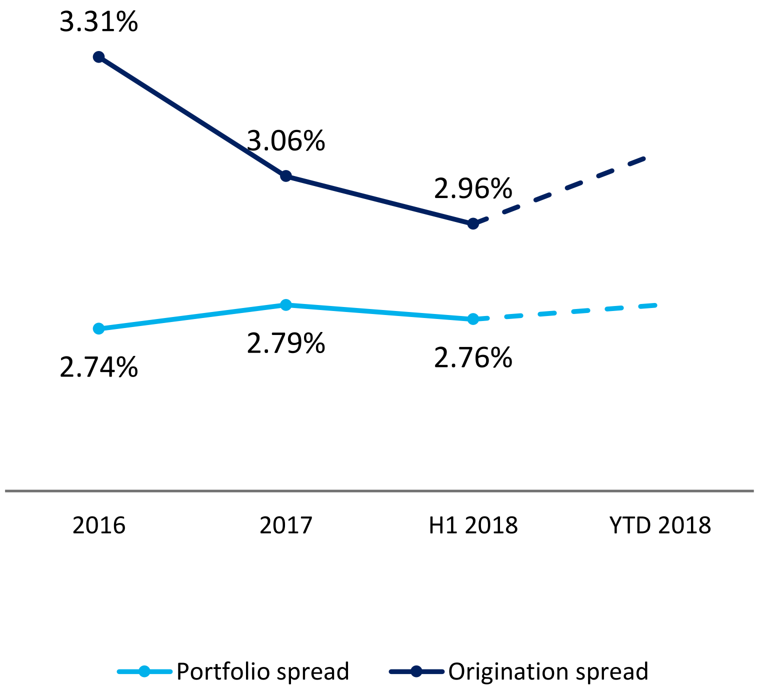
MORTGAGE SPREADS ABOVE BASE

(Percentages)



CORPORATE LOAN SPREADS ABOVE BASE

(Percentages)



COMMENTS

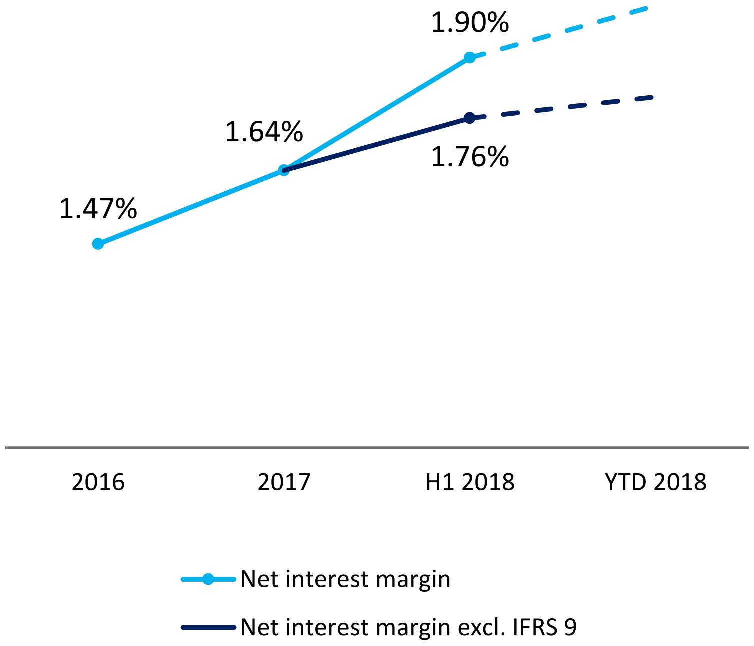
- Although in 2018 spreads on the commercial assets remained relatively stable, especially in the mortgage business origination spreads are under pressure
- Markets are therefore more challenging, with - in our view - certain risks increasingly not always being correctly priced into the current yield curves
- Therefore we will continue to exercise a margin over volume origination strategy at cautious origination levels

NET INTEREST INCOME

Continued improvement of net interest margin, mainly driven by lower funding spreads

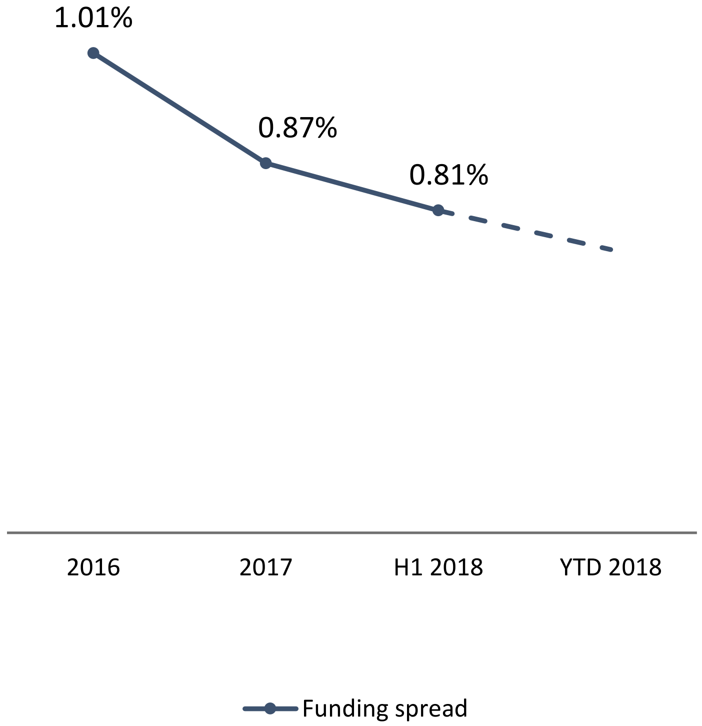
NET INTEREST MARGIN

(Percentages)



FUNDING SPREAD ABOVE BASE

(Percentages)



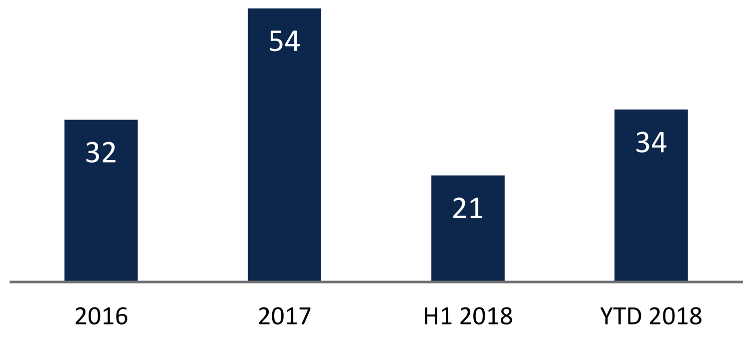
DECREASED FUNDING SPREAD IS DRIVING NIM

- Net interest margin improved further to approximately 2% (excl. IFRS 9: approximately 1.8%)
- Main driver behind the continued improvement of net interest margin is the further decrease of the average funding spread
- We are also benefiting from favorable market environment with respect to interest rates to further increase the average maturity in our wholesale funding
- We do foresee that the decrease of the average funding spread could bottom-out in 2019
- The growth of commercial assets in 2018 also had a positive impact on net interest income

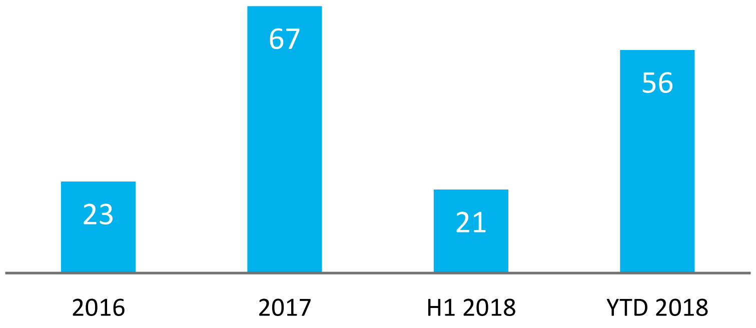
OTHER OPERATING INCOME

Improvement of net fee income and investment income

NET FEE INCOME
(Euro millions)



INVESTMENT INCOME
(Euro millions)



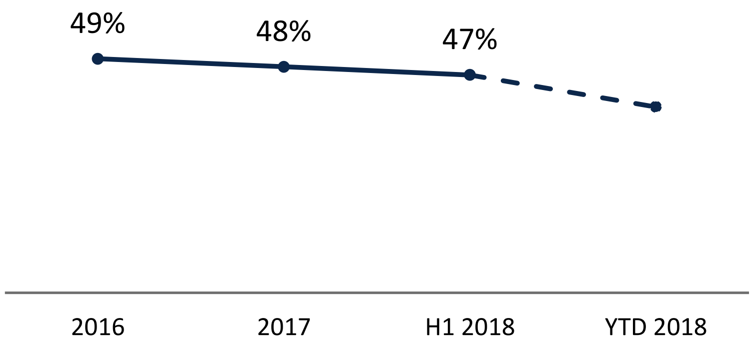
- Originate-to-manage fees display strong growth in line with the continued growth of related assets under management.
- The relatively high investment management fees are fueled by strong performance of equity investments

- Investment income in Q3 2018 is driven by a number of closed sales (Cyclomedia and SportCity) as well as a (partial) revaluation of NEIF. At closing of the sale of assets from NEIF in Q4 2018 an additional gain will be realized
- Based on the closing and settlement of realized sales we anticipate a strong decrease by 175m (incl. undrawn) of the equity investment portfolio in Q4 2018, leading to a decrease of around approximately € 600m of RWAs
- This decrease in RWAs includes € 26m related to HSH Nordbank, for which we have lowered our commitment to € 30m as opposed to € 56m mentioned in our interim report 2018

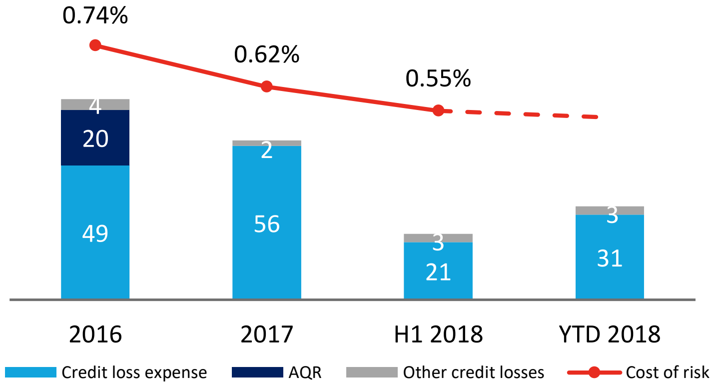
OPERATING EXPENSES AND CREDIT LOSS EXPENSE

Further trending down

COST/INCOME
(Percentage)



CREDIT LOSS EXPENSE AND COST OF RISK
(EUR million, Percentage)



- The cost/income ratio of 43% at Q3 2018 also benefits from the relatively high investment income
- Operating expenses YTD Q3 2018 include one-off expenses of € 9m related to the IPO and € 4m related to Vijlma (assets sold in 2017, final settlement in 2018)
- NIBC executes a full credit loss closing process twice a year at the half year and full year reporting dates
- The YTD Q3 2018 credit loss expenses reflects the H1 2018 closing and additionally a Q3 internal review

NET PROFIT AND RETURN ON EQUITY

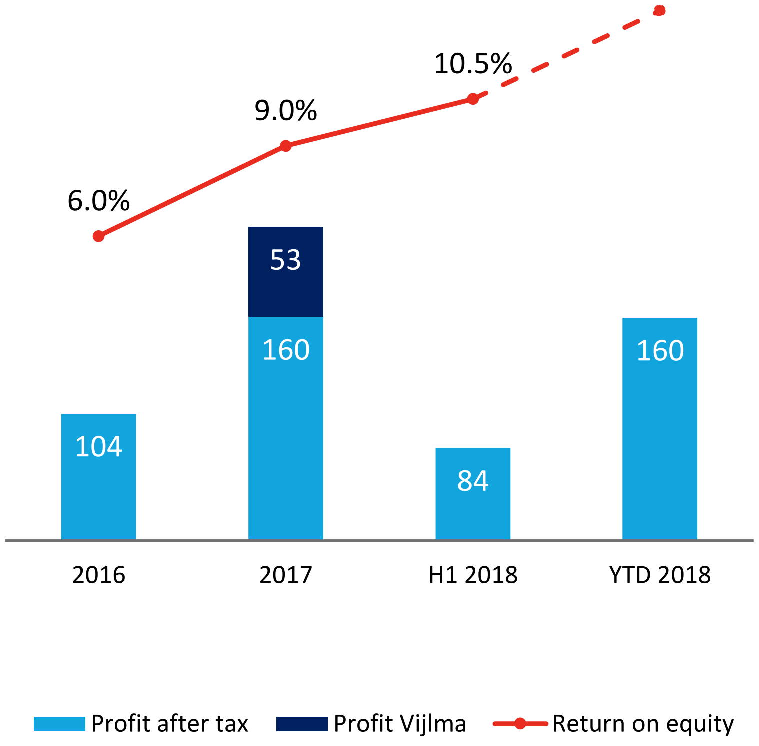
Continued strong performance

INCOME STATEMENT AND KEY FIGURES

NIBC Holding (millions of euros)	YTD Q3 2018	YTD H1 2018
Net interest income	318	207
Net fee and commission income	34	21
Investment income	56	21
Other	5	5
Operating income	**413**	**254**
Operating expenses	**177**	**120**
Net operating income	**237**	**134**
Credit loss expense	31	21
Corporate tax	38	23
Profit after tax	**168**	**90**
Profit attributable to non controlling interest	9	6
Net profit attributable to parent shareholders	**160**	**84**
CET 1 ratio	16.8%	16.4%
RoE NIBC Holding	13.4%	10.5%
Cost-to-income ratio	43%	47%
Return on assets	0.97%	0.76%
Earnings per share (in EUR)	1.46	1.15

NET PROFIT AND RETURN ON EQUITY

(EUR million)



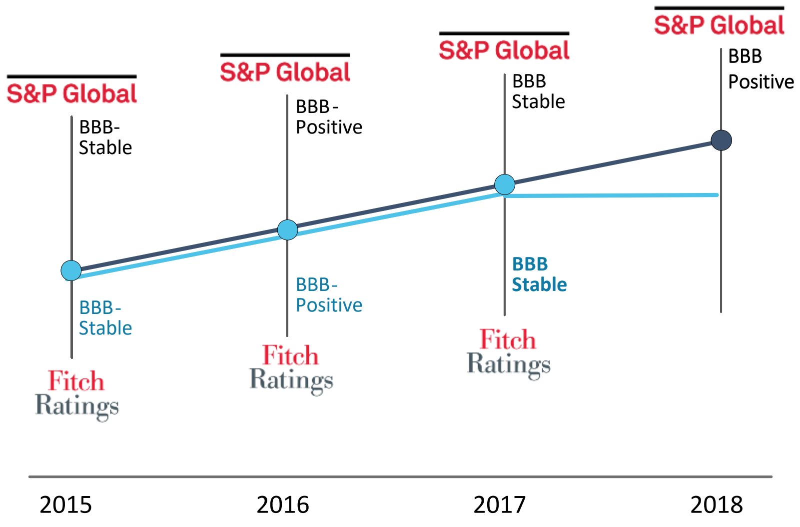
CONTINUED STRONG PERFORMANCE

- Continued strong performance in Q3 2018, with all key performance metrics displaying improvement
- Net profit in 2018 is boosted by high investment income, driven by a number of sales of equity investments of which a portion will be closed in Q4 2018
- Net interest income and net fee income also improved in line with the growth of NIBC's business
- Continued cost control, keeping the cost/income ratio sustainably below 45%

FUNDING PROFILE

Continuously active in funding capital markets, diversifying NIBC's funding profile

IMPROVEMENT RATING NIBC BANK CONTINUES



NIBC Bank also received an unsolicited rating from Moody's of Baa1

SINCE H1 2018 FURTHER DIVERSIFIED FUNDING PROFILE[1]

Type	Size (m)	Original maturity	Spread (coupon)
RMBS	EUR 447	Call date 5yrs	3m eur +0.41% (3m eur+0.41%)
Senior unsecured	GBP 250	5yrs	UKT+2.05% (3.125%)
Senior unsecured	EUR 300	2yrs	3m eur +0.40% (3m eur + 0.50%)
Covered bond	EUR 500	10yrs	m/s+0.15% (1.00%)

COMMENTS

- Improvement S&P rating to BBB positive outlook was partially driven by:
  - NIBC Bank's status as 'bail-in bank'
  - the intention of NIBC to comply to MREL through own funds and senior non-preferred only
  - the limited amount of senior non-preferred required to comply with the (as yet non-binding) MREL-target
  - our intention to issue non-preferred within 12 months
- Continued to diversify NIBC's wholesale funding profile by means of transactions in various maturities and currencies

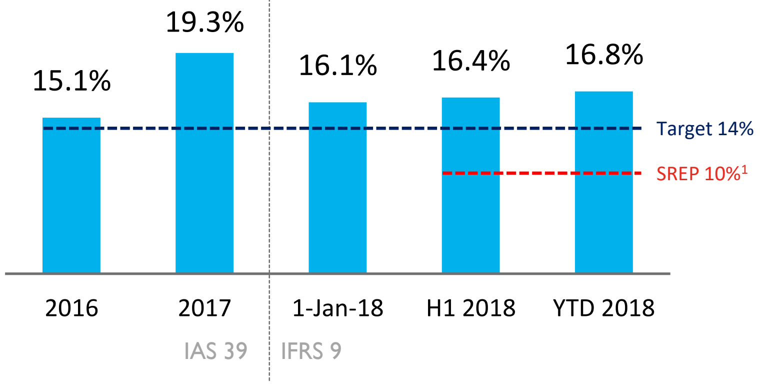
[1] *Overview of public funding transactions issued in Q3 2018. All funding transactions are issued by NIBC Bank*

CAPITAL POSITION

Continued increase of solvency ratios and a strong leverage ratio at 6.7%

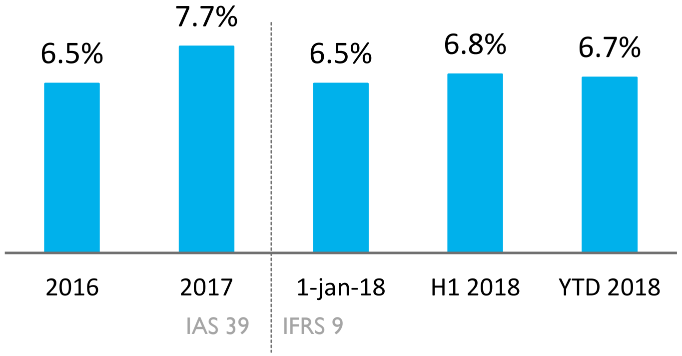
CET 1 RATIO

(Percentage)



LEVERAGE RATIO

(Percentage)



[1] *The SREP ratio excludes pillar 2 guidance (P2G)*

COMMENTS

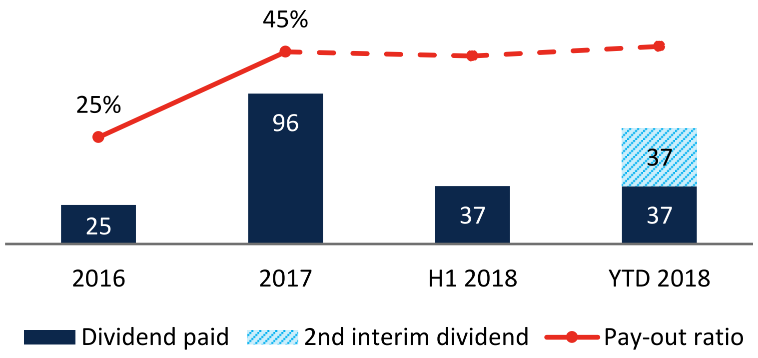
- The solvency ratios are comfortably above our SREP-levels and provide us with a sufficient buffer to comply with the future Basel IV regulation (impact +20-30% RWAs)
- The ratio is expected to be positively impacted in Q4 2018 by the decrease of approximately € 600m in RWAs from the already realized but not yet closed/settled sale of equity investments
- NIBC permanently calibrates its credit models: expected impact in 2019 of approximately € 300m higher RWAs
- The current SREP ratio of 10% for CET 1 is expected to increase to 10.7% as of 1/1/2019 due to:
  - the final transition of the capital conservation buffer from 1.875% to 2.5%
  - an anticipated increase of the countercyclical buffer from 0.1% to 0.2%

DIVIDEND

Building our dividend curve

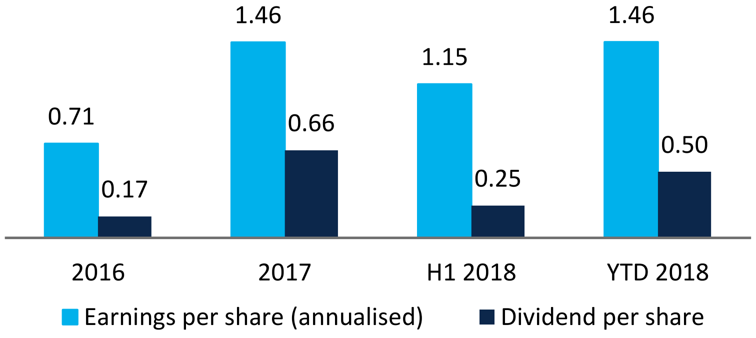
DIVIDEND PAY-OUT

(EUR million, Percentage)



EARNINGS AND DIVIDEND PER SHARE

(EUR)



COMMENTS

- The CET1 ratio of 16.8% is well above the medium-term objective of 14% and the ROE well above 10% , enabling:
  - NIBC to be well prepared for the potential deterioration of credit market circumstances
  - the future pay-out of solid dividends
  - future growth of our business
  - NIBC to be well prepared for Basel IV
- A 2nd interim dividend of EUR 0.25 per share (EUR 37m) is payable in December 2018, backed by profits on some equity investment exits

MEDIUM-TERM OBJECTIVES

Continued delivering as promised YTD Q3 2018

Metrics	Medium-term objectives	YTD 2018
Return on Equity *(Holding)*	> 10 - 12%	13.4%
Cost/income *(Holding)*	< 45%	43%
CET1 *(Holding)*	> 14%	16.8%
Dividend pay-out *(Holding)*	> 50%	€0.50 per share
Rating *(Bank)*	BBB+	BBB positive outlook

AGENDA

An overview

14:00	INTRODUCTION	**Michèle Negen,** IR
14.10 – 14.30	REFLECTIONS	**Paulus de Wilt,** CEO
14.30 – 15.00	REBALANCING AT THE CORE OF OUR BUSINESS	**Reinout van Riel,** CRO
15.00 – 15.20	CORPORATE PRODUCT OFFERING	**Caroline Oosterbaan,** Corporate Banking Products **Victor Ruitenberg,** Leveraged Finance
15.20 – 15.40	UPDATE ON OUR CLIENT FRANCHISE	**Saskia Hovers**, Corporate Banking Clients **Sven de Veij,** Offshore Energy
15.40 – 16.00	TRENDS IN THE DUTCH MORTGAGE MARKET	**Michel Kant,** Retail Banking **Frits van der Scheer,** Originate to Manage
Break		
16:10 – 16.45	FINANCIAL DRIVERS Q3 YEAR TO DATE 2018	**Herman Dijkhuizen,** CFO
16:45 – 17.00	Q&A AND CLOSING REMARKS	**Paulus de Wilt,** CEO **Herman Dijkhuizen,** CFO

Q&A