

Amsterdam, 26 February 2018

NIBC announces intention to proceed with Initial Public Offering and listing on Euronext Amsterdam

NIBC Holding N.V. (the “Company” and together with its subsidiaries “NIBC”), an entrepreneurial Dutch bank focused on its clients’ most decisive financial moments, today announces its intention to proceed with the next step towards an Initial Public Offering (the “IPO” or the “Offering”). NIBC intends to apply for listing of its ordinary shares (“Shares”) on Euronext Amsterdam.

The expected Offering consists entirely of existing Shares held by a number of entities operated by J.C. Flowers & Co. (“Selling Shareholders”). The size of the Offering is expected to be circa 35% of the outstanding and issued Shares. The Offering is expected to take place in the coming weeks, subject to, among other matters, market conditions.

Statement of the CEO, Paulus de Wilt:

“As the bank for our clients’ most decisive moments, today we have our own decisive moment with the announcement of our intention to float. We have made great progress in the past years and embarked on a journey to revitalise the bank and to improve its profitability and resilience by focusing firmly on our clients and on the future. We reap the rewards of the transformational investments we have made over the last four years and are now ready for this next step in our development.

We have proven to have the agility to continuously reinvent ourselves and proactively manage relationships with the growing number of mid-market businesses and retail clients that we serve. We anticipate trends and adapt our offering to the future, not only by introducing new products but also by facilitating and investing in FinTech businesses and doing acquisitions to either strengthen our footprint or broaden our product offering. Furthermore, we actively seek further diversification of income with non-interest income such as fees from value adding services as well as income from equity investments.

Unlike many other banks, we do not offer routine services such as current accounts or payment services, and without the distractions and costs of operating a large branch network, we are able to serve our clients in a focused and dynamic way. We are not volume driven and as such have no market share target, leaving room to be flexible and anticipate changing market conditions, and be among the first movers in our sub-sectors and chosen markets. Helped by the ‘Think YES’ mentality of our people, we are relentlessly looking for opportunities to better serve our clients.”

Highlights of the Offering

The Offering is expected to be available to institutional investors and retail investors in the Netherlands, and a private placement to certain qualified institutional investors in various other jurisdictions. The Company will not receive any proceeds from the Offering, the net proceeds will be received by the Selling Shareholders.

Rationale for the Offering

The Offering is being conducted by the Selling Shareholders to provide the Selling Shareholders with liquidity, while creating the possibility for investors to participate in the future of NIBC. The Selling Shareholder and NIBC believe

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the IPO is the logical next step in the development of the Company, providing NIBC with strategic and financial flexibility and enhancing NIBC's profile, supporting awareness among issuer and investor clients and increasing opportunities to attract and retain talented employees.

NIBC highlights

- NIBC is a mid-sized Dutch bank with a focused mid-market corporate and retail product offering. NIBC operates in the Northwest European markets, with a focus on the Netherlands and Germany. These markets are characterized by sound fundamentals and a stable macro-economic performance;
- Servicing a wide spectrum of clients, with around 700 corporate clients, 800 investor clients, 250 leasing clients and approximately 400,000 retail clients, NIBC has a differentiated approach focused on chosen sub-sectors with specific products;
- NIBC's agile and entrepreneurial 'Think YES' culture combined with a continuous focus on operational efficiency allows it to quickly adapt to the fast-changing competitive landscape providing opportunities to meet its clients' needs;
- Effective risk management is at the core of NIBC's strategy for sustainable growth and is fully integrated in the planning and control cycle and day-to-day business activities;
- NIBC has an experienced management team with members of the Executive Committee having on average more than 20 years of banking industry experience, enabling NIBC to safeguard and strengthen its commercial and client focus;
- NIBC has a simple balance sheet, robust capitalisation and diversified funding. The Company has robust capital levels with a CET1 ratio well above 14%, based on current regulation. The Company targets a return on equity of 10-12% with a sustainable return on equity above 10%;
- Backed by the further expansion of its client franchise, sound economic environment in its focus geographies and its solid financial position, NIBC's net profit more than doubled from EUR 104 million in 2016 to EUR 213 million in 2017, which includes EUR 53 million from the sale of the German commercial real estate legacy portfolio of Vijlma;
- Dividend policy targeting a pay-out ratio of at least 50% of net profit available for distribution to shareholders of the Company.

Business description

Corporate Client Offering

NIBC offers its mid-market corporate clients specific products across a broad spectrum of advising, structuring, financing and co-investing across debt and equity through a dedicated sector approach, with a focus on chosen sub-sectors and products in Northwest Europe, predominantly in the Netherlands and Germany. NIBC services a range of corporate clients including private equity clients, institutional investors, high net worth entrepreneurs, and small and medium sized companies.

NIBC positions itself to facilitate growth for its clients at decisive moments, particularly for the selected sectors and sub-sectors it focusses on and in which it has in-depth knowledge: Food, Agriculture, Retail & Health, Industries & Manufacturing, Telecom, Media, Technology & Services, Commercial Real Estate, Infrastructure & Renewables, Offshore Energy and Shipping & Intermodal.

Retail Client Offering

The Retail Client Offering segment services retail clients in the Netherlands, Germany and Belgium and offers a product range consisting of owner-occupied mortgages, buy-to-let mortgages and online savings accounts. In addition, its Originate-to-Manage offering allows institutional investors to invest directly in the Dutch residential mortgage market without the operational burden of ongoing management of the mortgage. NIBC originates owner-occupied mortgages which match specific criteria and sells the receivables to institutional investors who pay ongoing fees to NIBC for management and servicing of the mortgages.

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The Retail Client Offering operates through a direct model for its savings products and a broker model for its mortgages. This strategy enables NIBC to offer a full product range – from short to long maturities – and also target clients in specific sub-sectors with tailored products such as buy-to-let and mortgage loans for the self-employed. Under the NIBC Direct brand, NIBC offers fairly-priced savings products to clients in the Netherlands, Germany and Belgium, ranging from fully flexible, on-demand deposits, to term deposits of up to 10 years. These products are known for their straightforward client-centric features and unambiguous terms and conditions.

Strategic priorities

NIBC believes its entrepreneurial culture and its agility allow it to quickly anticipate and adapt to a fast-changing world and provide opportunities to meet its clients' changing needs. NIBC focuses on building client relationships in (sub-)sectors in Northwest Europe – where it believes it can leverage its local expertise, whilst maintaining a lean organisation with disciplined cost control and no branch network. During recent years, NIBC fine-tuned its business model and invested in the future. It has identified six strategic priorities to further develop as a profitable and sustainable bank with a solid capital position:

■ Continuous evolution of its client franchise, expertise and propositions

NIBC anticipates on trends and adapts its offering to the future. Not only by introducing new products but also by partnering to leverage platforms, facilitating and investing in FinTech businesses and doing acquisitions to either strengthen its footprint or broaden its product offering.

■ Focus on growth of asset portfolio in core markets

Unlike many other banks, NIBC does not offer routine services such as current accounts or payment services and without the distractions and costs of operating a large branch network, NIBC is able to serve their clients in a focused and dynamic way. The Company is not volume driven and as such has no market share target leaving room to be flexible and to anticipate changing market conditions and be among the first movers in sub-sectors.

■ Diversification of income

NIBC actively seeks further diversification of its income streams with non-interest income such as fees from value adding services as well as income from equity investments.

■ Building on existing agile and effective organisation

Helped by the 'Think YES' mentality of its people, NIBC is relentlessly looking for opportunities to better serve its clients. As a validation of the efforts on this front, the Net Promoter Score for corporate clients increased to 64% in 2017. This score firmly underpins the growth of the corporate client business as almost two-third of new clients come through referrals of existing clients. Meanwhile, the retail client satisfaction rose to 7.9 in 2017, up from the already high level of 7.6 in the preceding year.

■ Continue investment in people, culture and innovation

NIBC aims to remain well positioned to attract and retain the right talent, and develop its employees. Furthermore the Innovation Lab is fostering a culture of openness to change and is making sure the Company stays at the forefront of new developments.

■ Further optimisation of capital structure and diversification of the funding base

The proactive balancing of NIBC's funding profile over the past few years has increased the overall resilience of the bank, as validated by the credit upgrades of NIBC Bank to BBB. NIBC feels that these new credit ratings more accurately reflect the bank's current state and the way NIBC is viewed by the market. In September, strong investor demand for its Additional Tier I (AT1) bond showed the market's confidence in the strategy and performance of the bank.

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Financial highlights

Net profit of NIBC more than doubled from EUR 104 million in 2016 to EUR 213 million in 2017, backed by the further expansion of its client franchise and including a EUR 53 million positive effect from the sale of the German commercial real estate legacy portfolio of Vijlma. Overall return on equity for NIBC in 2017 nearly doubled to 11.9% (excluding the positive effect of the legacy sale: 8.9%), compared with 6.0% in 2016.

Costs for NIBC were up due to extra investments in IT, regulatory projects such as MiFID II and IFRS 9, the reorganisation of NIBC Markets, and NIBC's review of its strategic options. Nevertheless, the cost-to-income ratio for NIBC Bank improved from 51% in 2016 to 44% in 2017 (excluding the positive effect of the legacy sale of Vijlma 47%).

NIBC has a solid solvency ratio, with its fully loaded CET1 ratio having increased to 19.3% in 2017 from 15.1% in 2016 and both Fitch and Standard & Poor's having updated their rating for NIBC Bank to 'BBB'. NIBC paid out a total dividend of EUR 96 million for the year ended 31 December 2017 (pay-out ratio: 45%).

Medium-term objectives¹

NIBC is pleased to report that it achieved all of its 2015-2017 targets. The Company has announced new medium-term objectives, which are a reflection of the improved performance and the solid foundation for continued growth going forward:

- Return on equity for the Company: between 10-12% with a sustainable return on equity ratio above 10%;
- Cost-to-income ratio for NIBC Bank: structurally below 45%;
- CET1 capital ratio for the Company: robust capital with a CET1 ratio above 14%, based on current regulation;
- Dividend pay-out ratio for the Company: at least 50% of net profit available for distribution to ordinary shareholders; and
- Credit rating for NIBC Bank: from current BBB to BBB+.

Leadership and governance

NIBC has an experienced management team focused on execution. NIBC's Executive Committee comprises its Managing Board and the heads of its Corporate Client Offering and Retail Client Offering. The members of the Executive Committee have on average more than 20 years of banking industry experience, enabling NIBC to safeguard and strengthen its commercial and client focus.

The Managing Board consists of Paulus de Wilt (CEO), Herman Dijkhuizen (CFO) and Reinout van Riel (CRO) and is responsible for implementing NIBC's strategy and managing its core activities. Along with the members of the Managing Board, the Executive Committee members include Saskia Hovers (Corporate Client Offering Sectors), Michel Kant (Retail Client Offering) and Caroline Oosterbaan (Corporate Client Offering Products).

NIBC maintains a two-tier board structure consisting of a Managing Board and a Supervisory Board. The Supervisory Board supervises the conduct and policies of the Managing Board and the general course of affairs of NIBC and its business. The Supervisory Board comprises the following members: W.M. van den Goorbergh (Chairman), D.M. Sluimers (vice-chairman), R.L. Carrión, M. Christner, J.C. Flowers, A. de Jong, K.M.C.Z Steel

¹NIBC has not defined, and does not intend to define, "medium-term". These medium-term financial objectives should not be read as forecasts or projections for any particular year, but are merely objectives that result from NIBC's pursuit of its strategy. The Company can provide no assurances that these objectives can be met or that its strategy can be implemented, and the actual results could differ materially. Further, these objectives have been set on the basis of certain assumptions in respect of the future impact on NIBC's capital position from the implementation of the Basel III reforms and other regulatory developments, considering in particular the anticipated capital requirements which may arise, and taking into account NIBC's current dividend policy. The objectives have been determined based on trends, data, assumptions and estimates that the Company considers reasonable as at the date of this announcement, including but not limited to, the continued low interest rate environment, a positive economic outlook, organic growth of the loan portfolio, continued access to funding through retail saving accounts and wholesale markets, and in general a further gradual tightening of credit spreads on both the asset and liability side of the balance sheet. However, the trends, data and assumptions which NIBC has relied on to determine the objectives may change as a result of uncertainties related to its economic, financial or competitive environment and as a result of future business decisions, as well as the occurrence of certain factors.

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and A.H.A. Veenhof. Mr. Carrion, Mr. Christner and Mr. Flowers are non-independent members as they have been nominated by the Selling Shareholders. As long as the Selling Shareholders hold more than 50% of the Shares, the Selling Shareholders will have the right to nominate three members of the Supervisory Board. Until the Selling Shareholders hold less than 20% of the Shares, the Selling Shareholders will have the right to nominate two members of the Supervisory Board.

Details of the Offering

If and when the Offering is launched, further details will be included in the prospectus relating to the IPO and the listing. Once approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "AFM"), the prospectus will be published and made available to the public at the start of the offering period through the corporate website of NIBC (www.nibc.com), subject to securities law restrictions in certain jurisdictions. The approval of the prospectus by the AFM shall not constitute an approval of the soundness of the transaction proposed to investors.

NIBC has appointed Citigroup Global Markets Limited, Deutsche Bank AG, London Branch and Morgan Stanley & Co. International plc to act as Joint Global Coordinators for the Offering and together with ABN AMRO Bank N.V. and ING Bank N.V. as Joint Bookrunners for the Offering. NIBC Bank N.V. is acting as the Lead Manager for the Offering.

Profile of NIBC

NIBC is the bank of choice for decisive moments. Our corporate client business offers a combination of corporate finance and capital markets, financing and investing in the sectors Food, Agriculture, Retail & Health, Industries & Manufacturing, Infrastructure & Renewables, Commercial Real Estate, Offshore Energy, Shipping & Intermodal and Telecom, Media, Technology & Services. Our retail client offering provides residential mortgages in the Netherlands and online retail saving deposits in the Netherlands, Belgium and Germany via NIBC Direct. Headquartered in The Hague, NIBC also has offices in Frankfurt, Amsterdam, London and Brussels.

For more information please, visit our corporate website: www.nibc.com

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The Securities have not and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and may not be offered or sold in the United States absent registration or an exemption from, or in a

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In the United Kingdom, this document and any other materials in relation to the Securities is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" (as defined in section 86(7) of the Financial Services and Markets Act 2000) and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it.

The Company has not authorised any offer to the public of Securities in any Member State of the European Economic Area other than the Netherlands. With respect to any Member State of the European Economic Area, other than the Netherlands (each a Relevant Member State), no action has been undertaken or will be undertaken to make an offer to the public of Securities requiring publication of a prospectus in any Relevant Member State. As a result, the Securities may only be offered in Relevant Member States (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or (ii) in any other circumstances falling within Article 3(2) of the Prospectus Directive. For the purpose of this paragraph, the expression "offer of securities to the public" means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable the investor to decide to exercise, purchase or subscribe for the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

No action has been taken by the Company that would permit an offer of Securities or the possession or distribution of this announcement or any other offering or publicity material relating to such Securities in any jurisdiction where action for that purpose is required.

The release, publication or distribution this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.

This announcement does not constitute a prospectus. An offer to acquire Securities pursuant to the proposed offering will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in the Netherlands in connection with such offering. When made generally available, copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

Citigroup Global Markets Limited, Deutsche Bank AG, London Branch and Morgan Stanley & Co. International plc, ABN AMRO Bank N.V. and ING Bank N.V. (the "Underwriters") are acting exclusively for the Company and the Selling Shareholders, and no else in connection with the offering, and each of the Underwriters will not regard any other person as its client in relation to the offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to its clients or for giving advice in relation to the offering or the contents of this announcement or any transaction, arrangement or other matter referred to herein.

This announcement may include statements, including the Company's financial and operational medium term objectives that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans",

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“projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made. Accordingly, no undue reliance should be placed on any forward-looking statements. Furthermore, the proposed IPO of the Company is subject to market conditions and regulatory approvals and there can be no assurance that the proposed IPO of the Company will be completed.

Each of the Company; the Selling Shareholders and the Underwriters expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

All investment is subject to risk. The value of the securities offered may go down as well as up. Past performance is no guarantee of future returns. Potential investors are advised to seek expert financial advice before making any investment decision.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Securities have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (“the Positive Target Market”); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Appropriate Channels for Distribution”). Distributors should note that: the price of the Securities may decline and investors could lose all or part of their investment; the Securities offer no guaranteed income and no capital protection; and an investment in the Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Securities is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the “Negative Target Market” and, together with the Positive Target Market, the “Target Market Assessment”).

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Securities.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Securities and determining appropriate distribution channels.