

Annual figures 2022: Loan portfolio grows to record level; €9.6 billion in new lending; and on track with climate action plan

- Loan portfolio grows to record level of over €52 billion
- New financing to clients in the Dutch public sector and renewable energy projects in 2022: €9.6 billion (2021: €12.1 billion)
- Net profit up 18% to €143 million (2021: €121 million)
- On track with our climate action plan: CO₂e emissions of loan portfolio down by over 17% in last four years
- More than 40% of long-term funding raised with ESG bonds

The Hague, 20 March 2023

NWB Bank provided a total of €9.6 billion in financing to its clients in the Dutch public sector and renewable energy projects in 2022. Despite the uncertain times in the world, we were again able to consolidate our position in the Dutch public sector. In addition, through our climate action plan, we are encouraging our clients to become more sustainable and, as a bank, we are committed to a loan portfolio that, on balance, will generate zero CO₂e emissions in 2050.

Thanks to a better net interest income and lower bank tax, the net profit increased to €143 million compared with €121 million in 2021. As in 2020 and 2021, our participation in the TLTRO also contributed last year to the net profit because of the attractive rates. The benefit of this was largely passed on to our clients through lower lending rates, but the difference in maturity of the TLTRO funding and the corresponding lending resulted in higher profits in recent years, which will be offset in the coming years. We intend to make €60 million of the net profit available as dividend to our shareholders.

Social and sustainable impact

As a bank of and for the public sector, we do not aim to maximise profits. With our tailor-made lending activities, we focus on achieving social and sustainable returns. Last year, our loan portfolio grew to a record level of €52.2 billion.

In April 2022, we published our climate action plan and provided our first sustainability-linked loan to the Zuiderzeeland Water Authority (€21 million). The water authority will receive a discount on the annual interest rate of the loan if it meets ambitious sustainability milestones. These milestones focus on climate mitigation, biodiversity and diversity, as these are important issues for both the water authority and the bank. With our sustainability-linked loans, we aim to encourage and accelerate our clients' (further) sustainability efforts.

Last year, we raised 42% (€4.7 billion) of our long-term funding by issuing Environmental, Social and Governance (ESG) bonds. In total, we had almost €23 billion in ESG bonds outstanding by the end of 2022. That represented 37% of our total outstanding long-term funding.

On track with our climate action plan

In line with our climate action plan, we aim to achieve a reduction of at least 43% in CO₂e by 2030 compared to the emissions of our loan portfolio in 2019, the first year in which we mapped the climate impact of our financing using the PCAF methodology. The goal is to have a loan portfolio that causes zero net CO₂e emissions by 2050. With a 17% reduction compared to the 2019 baseline year, we are on track with our climate action plan despite growth of the underlying loan portfolio.

As part of our climate action plan, we have set ourselves an audacious goal: to make our loan portfolio energy-positive by 2035 as we work towards a climate-neutral portfolio by 2050. By 2035, we want the renewable energy projects we finance to generate more renewable energy than the rest of our portfolio consumes in fossil fuels. We aim to achieve this by encouraging our clients to (further) reduce their energy consumption and use renewable energy wherever possible. Financing renewable energy projects is an important part of this.

Outlook

We expect to meet the financing needs of the Dutch public sector and renewable energy projects in 2023 in the same socially sustainable way as last year. Although the war in Ukraine had little or no negative impact on our organisation in 2022, we remain cautious in our forecast for net profit in 2023, also in light of the recent volatility in the financial markets amid banking sector concerns. Net profit is expected to be lower than in 2022, mainly because we will no longer be able to benefit from the positive effects of participation in the TLTRO in 2023.

We will publish our 2022 Annual Report on 31 March 2023.

Press questions

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KEY FIGURES (in millions of euros)

	2022	2021
BALANCE		
Long-term loans and advances (nominal value) ¹	52,167	51,888
Equity	1,995	1,902
Tier 1 capital	2,155	2,083
Total assets	73,285	96,019
Risk-weighted assets	4,792	4,641
RESULTS		
Net interest income	301	286
Results from financial transactions	-30	-20
Operating income	271	266
Operating expenses	44	35
Bank tax and resolution levy	28	38
Impairment of receivables	-	-
Taxation on profit from ordinary operations	56	72
Net profit	143	121
DIVIDEND		
Dividend payout	60.0	50.0
Dividend (in euros per share)	1,017.1	847.6
RATIOS (%)		
Tier 1 ratio	45.0	44.9
CET 1 ratio	38.3	38.0
Cost/income ratio ²	16.2	13.0
Dividend payout ratio	41.9	41.2
Leverage ratio ³	18.9	14.3 ⁴
Leverage ratio (not adjusted for promotional assets) ⁵	3.1	2.6 ⁶
Liquidity Coverage Ratio	285	183
Net Stable Funding Ratio	141	133
CSR		

Volume of newly issued ESG bonds	4,703	3,550
ESG bonds as % of total bonds outstanding	37	31
CO ₂ emission equivalents within operating activities p.p. (in tonnes)	0.9	1.2
CO ₂ equivalent emissions PCAF portfolio coverage (in %)	93.8	93.6
CO ₂ equivalent emissions loan portfolio (in kton)	1,623 ⁷	1,760 ⁷

¹ Loans including interest-bearing securities issued to regional authorities

² 'Cost' refers to operating expenses and 'income' to operating income

³ Taking into account the proportional calculation for promotional banks according to CRR II as of 27 June 2019

⁴ 53% applying Decision (EU) 2021/1074 of 18 June 2021 on the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic (ECB/2021/27)

⁵ Not taking into account the proportional calculation for promotional banks

⁶ Applying Decision (EU) 2021/1074 of 18 June 2021 on the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic (ECB/2021/27)

⁷ Based on 93.8% of the loan portfolio (2021: 93.6%); The 2022 emissions figure refers to the loan portfolio at the end of 2021 and the 2021 emissions figure refers to the loan portfolio at the end of 2020. The 2021 issuance figure is recalculated to the most up-to-date methodology