NIBC INTERIM REPORT
2011

NIBC

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Half Year Report of the Managing Board

Financial Highlights

- Net profit in H1 2011 of EUR 43 million, 2% higher than in H1 2010 and 26% higher than H2 2010.
- Growth in corporate loan portfolio of 6% in H1 2011.
- In line with our strategy, recurrent income – net interest and net fee and commission income – increased; operating income decreased due to lower net trading income.
- Impairments significantly decreased in H1 2011.
- Diversification of funding continued, with successful issuance of EUR 500 million inaugural public covered bonds and EUR 750 million RMBS; retail savings via NIBC Direct increased to EUR 5.5 billion.
- NIBC Holding has declared an interim dividend of 52% (EUR 29 million).
- No debt exposure to sovereign entities in Greece, Ireland, Italy, Portugal and Spain.

Chairman's statement

Jeroen Drost, Chief Executive Officer of NIBC

"NIBC delivered a strong performance in the first half of 2011. We closed a large number of attractive deals across all sectors and disciplines in the first half of 2011 leading to a growth of 6% in our corporate loan book. These commercial successes played a pivotal role in the growth of our net profit to EUR 43 million and especially in the increase of interest income in 2011, generating a stable income base on which we can continue to build. We diversified our funding base further through several funding initiatives, including our first public covered bond issue. We are also very pleased with the developments around NIBC Direct; retail savings grew to EUR 5.5 billion and in Germany we introduced brokerage services for NIBC Direct clients. NIBC comfortably met the European stress test last month, reflecting our strong Tier-1 ratio of 15.8% at the end of June 2011. NIBC has no debt exposure to sovereign entities in Greece, Ireland, Italy, Portugal and Spain. We note the political and economic developments in the past few months. Our continued focus on client activities in our key markets ensured that we were able to post strong results and allows us to look comfortably to the future."

NIBC Bank profit & loss [1]

In EUR millions	H1 2011	H2 2010	H1 2010
Net interest income	88	79	64
Net fee and commission income	16	15	10
Dividend income	1	6	5
Net trading income	14	42	49
Gains less losses from financial assets	25	30	20
Share in result of associates	2		3
Other operating income			1
Operating income	**144**	**172**	**151**
Personnel expenses	(50)	(51)	(49)
Other operating expenses	(30)	(31)	(25)
Depreciation and amortisation	(3)	(3)	(3)
Operating expenses	**(83)**	**(85)**	**(78)**
Impairments	(9)	(43)	(32)
Total expenses	**(92)**	**(128)**	**(109)**
Profit before tax	**52**	**44**	**41**
Tax	(8)	(7)	2
Profit after tax	**44**	**37**	**43**
Result attributable to minority interest	(1)	(2)	(1)
Net profit attributable to parent shareholder	**43**	**34**	**42**

1) The income statement differs from that presented in the Condensed Consolidated Interim Financial Report due to the treatment of non-financial companies controlled by NIBC. This only affects the presentation of the income statement and not the bottom-line profit figures. Note: small differences are possible in the tables due to rounding.

Financial results

- Net profit in H1 2011 of EUR 43 million; this is an increase of 2% compared to H1 2010 and 26% compared to H2 2010. We are on track with executing our strategy and accelerating client activity.
- In line with our strategy, the composition of operating income further improved in 2011 after an already significant improvement in 2010. Net interest income increased to EUR 88 million in H1 2011, a growth of 38% compared to H1 2010, mainly as a result of growth in our corporate loan portfolio and lower funding costs. Together with the improvement of net fee and commission income in H1 2011 this led to a significant increase of recurrent income (net interest income and net fee and commission income) as a proportion of overall operating income (72% in H1 2011 compared to 49% in H1 2010), thus creating a stable income base for future growth. Net trading income declined due to more stable markets in H1 2011.
- Operating expenses were kept under control, due to the continued focus on operational efficiency. Staff numbers remained stable in 2011.
- Impairments are significantly lower than in 2010, mainly due to releases following impairments taken.

Strategy of NIBC Bank

NIBC Bank is fully committed to its three strategic priorities: client focus, sustainable profitability and strong solvency and liquidity.

Client focus

- Growth in corporate loan book of 6% in H1 2011.
- NIBC played a pivotal role in a number of important transactions across its key markets. Examples in the first half of 2011 include:

  Merchant Banking

  - NIBC M&A advised Nieuwe Steen Investments on the announced EUR 2.2 billion merger with VastNed Offices/Industrial, Koninklijke Gazelle on the disposal to Pon and Actief Interim on the disposal to Gilde.
  - NIBC Corporate Lending closed a club deal for Terberg Leasing and closed a senior secured refinancing for Mirror Controls International, a new client for NIBC. NIBC Corporate Lending Germany closed an acquisition facility for Edeka Rhein Ruhr.
  - NIBC Leveraged Finance Benelux arranged and provided financing for the buyout of CRH Rooflight & Ventilation by H2 Equity Partners. Together with NIBC Belgium, it arranged and provided senior debt for the buyout of Actief Interim by Gilde Equity Management. NIBC Leveraged Finance Germany arranged and underwrote part of the senior debt to finance the buyout of RHM Kliniken und Pflegeheime by Waterland Private Equity Investments and provided senior debt to finance part of the public takeover of Teleplan by Gilde Buyout Partners.
  - NIBC European Infrastructure Fund and VOPAK established a joint venture to build and operate a new 660,000 cbm terminal for the storage of strategic oil reserves in the port of Eemshaven, the Netherlands. NIBC European Infrastructure Fund also expanded its partnership with Electrawinds by acquiring a stake in three onshore wind farms with a combined capacity of 32 MW and further strengthened its position on the renewable energy market by acquiring a 50% participation in 40MWP of German Solar Photovoltaic plants.

  Specialised Finance

  - NIBC Infrastructure & Renewables financed the Vopak Terminal Eemshaven, a joint venture of NIBC European Infrastructure Fund and Vopak, project financed the Reggefiber Group, closed financings as joint mandated lead arranger for the Charleroi Prison Project in Belgium and the Croydon & Lewisham Lighting Services in the UK and acted as mandated lead arranger for the financing of a 51MW onshore wind farm in Northern Germany.
  - NIBC Commercial Real Estate closed a transaction with Charmartin Meerman AG and Reggeborgh to finance a high-quality residential development at a prime location in Berlin, lead arranged a EUR 320 million debt transaction for new client Amvest and structured the debt for the acquisition of a German mortgage and loan portfolio for new client Novapars.
  - NIBC Shipping & Intermodal closed a revolving credit facility for GESeaco, the world's fifth largest container lessor, a senior secured credit facility for NYSE-listed Paragon Shipping Inc. to finance five bulk carriers and a sale and lease back transaction for container boxes and a senior secured facility to finance four bulk carries for the two leading Korean shipping companies, Hyundai Merchant Marine and STX Pan Ocean respectively.
  - NIBC Oil & Gas Services closed a facility for QGOG to finance the semi-submersible drilling rig Alpha Star and closed a Senior Secured Credit Facility with Heerema Marine Contractors.

Sustainable profitability

- Net profit has shown strong development since mid-2009.
- Composition of operating income in particular improved in 2010 and 2011; recurrent income now makes up 72% of overall income.
- Net interest income increased to EUR 88 million in H1 2011, a growth of 38% compared to H1 2010, generating a stable income base.
- NIBC has continued to focus on stable growth of net profit, maintaining a competitive cost to income ratio.

Strong solvency and liquidity

- Funding diversification has successfully been further expanded in 2011 by executing EUR 500 million of inaugural public covered bonds and EUR 750 million of securitisations of our mortgage book.
- NIBC Direct savings further grew to EUR 5.5 billion; NIBC Direct Germany introduced brokerage services for retail investment products.

	30-Jun 2011	31-Dec 2010
BIS ratio	17.2%	15.8%
Tier-1 ratio	15.8%	14.5%
Core Tier-1 ratio	14.1%	12.9%
Shareholders' equity (in EUR million)	1,809	1,803
Number of FTEs (end of period)	670	669
Risk weighted assets (in EUR billion)	12.2	13.2
Tier-1 Capital (in EUR million)	1,928	1,918
Core Tier-1 Capital (in EUR million)	1,718	1,698
Core Tier-1 as % of Tier-1	89%	88%

- NIBC Bank is excellently capitalised with a Core Tier-1 ratio of 14.1%, a Tier-1 ratio of 15.8% and a BIS ratio of 17.2% a and already able to fully comply with the upcoming Basel III capital requirements. NIBC also comfortably met the European stress test last month.
- Risk weighted assets decreased to EUR 12.2 billion at end of June 2011, as a result of an improvement in creditworthiness of the corporate loan book and a decrease in exposure to derivatives.

Two-pillar client strategy: Merchant Banking and Specialised Finance

NIBC's strategy is based on sectors and geographies it knows well. For more than 65 years, it has built on its strengths and its expertise in credit, especially in long-term asset finance, expanding its strong client franchise and its investment management capabilities. NIBC has successfully transformed itself into a more traditional bank, while maintaining its strong client focus. We have sharpened our strategy to concentrate on long-term relationships of trust with clients, helping them to navigate in a complex financial world by providing clear, sustainable solutions at moments crucial to their company's development. Merchant Banking and Specialised Finance are the core activities and the two pillars around which NIBC is structured.

Merchant Banking

Merchant Banking enables corporate clients, financial institutions, entrepreneurial investors and family offices to grow their businesses. We give clients access to our investment banking products, including M&A advisory, lending and equity/mezzanine. Our franchise is built on offering integrated solutions to our clients. These integrated solutions are based on our established 'triple play' model of advising, financing and co-investing with clients.

Our sector experts share ideas and market knowledge on specific sectors in the Benelux and Germany – including food, agri & retail; technology, media & service and industries - for the benefit of our clients.

In EUR millions	H1 2011	H2 2010	H1 2010
Net interest income	42	40	42
Net fee and commission income	12	12	8
Dividend income	1	6	4
Net trading income	3	3	4
Gains less losses from financial assets	24	30	20
Share in result of associates	1	(0)	2
Other operating income			0
Operating income	**82**	**89**	**81**
Operating expenses	(38)	(41)	(38)
Impairments	6	(14)	(18)
Total expenses	**(32)**	**(54)**	**(55)**
Profit before tax	50	35	26
Tax	(8)	(3)	1
Profit after tax	**42**	**31**	**26**

Small differences are possible in this table due to rounding.

Financial Results

- Net profit was EUR 42 million in H1 2011, a sharp increase of 62% compared to H1 2010 and 35% compared to H2 2010.
- Net fee and commission income clearly improved compared to H1 2010.
- Impairment releases exceeded new impairments in H1 2011, which resulted in an overall release of EUR 6 million.

Specialised Finance

Specialised Finance combines our expertise in specific sectors with our balance sheet and structuring- and distribution capabilities to provide solutions to clients. It focuses on asset and project financing in the shipping & intermodal, oil & gas services, infrastructure & renewables and commercial real estate sectors. Our retail activities in residential mortgages and retail savings (via NIBC Direct) are also part of Specialised Finance. The Specialised Finance results presented below include the Treasury activities.

In EUR millions	H1 2011	H2 2010	H1 2010
Net interest income	46	39	22
Net fee and commission income	4	3	2
Dividend income			0
Net trading income	10	40	44
Gains less losses from financial assets	1		
Share in result of associates	1	1	1
Other operating income		(1)	0
Operating income	**62**	**83**	**70**
Operating expenses	(45)	(45)	(40)
Impairments	(15)	(29)	(14)
Total expenses	**(59)**	**(74)**	**(54)**
Profit before tax	2	9	16
Tax		(4)	1
Profit after tax	**2**	**5**	**17**

Small differences are possible in this table due to rounding.

Financial Results

- The composition of operating income clearly improved; net interest income more than doubled in H1 2011 to EUR 46 million compared to H1 2010 (EUR 22 million).
- Net interest income is still relatively low due to the significant liquidity buffer we maintain, which will be put to work in the coming years.
- Net trading income declined due to more stable markets in H1 2011.
- Impairments in H1 2011 are relatively stable compared to H1 2010 and substantially improved compared to H2 2010.

Responsibility Statement

In respect of Article 5:25d, section 2(c) (1 and 2) of the Financial Supervision Act, the members of the Managing Board of NIBC Bank N.V. hereby confirm, to the best of their knowledge, that:

i. The Condensed Consolidated Interim Financial Report for the six months ended 30 June 2011, which has been prepared in accordance with IAS 34 'Interim Financial Reporting', gives a true and fair view of the assets, liabilities, financial position and profit or loss of NIBC Bank N.V. and its consolidated group companies;

ii. The Half Year Report of the Managing Board includes a fair review of information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

The Hague, 22 August 2011
Managing Board

Jeroen Drost, Chairman, Chief Executive Officer, Chief Risk Officer a.i.
Kees van Dijkhuizen, Vice-Chairman, Chief Financial Officer
Rob ten Heggeler, Member
Jeroen van Hessen, Member

Risk Management

In the first half of 2011, the market continued to focus on the developments regarding the periphery euro zone countries (Portugal, Ireland, Italy, Greece and Spain). Greece remained at the centre of the discussion. Financial unrest was further increased by the political developments in Northern Africa and the Middle East.

Market parties and stakeholders demand more and more transparency regarding the size and nature of any exposure towards Portugal, Ireland, Italy, Greece and Spain. As at 30 June 2011, NIBC had no sovereign debt exposure to these countries on its books.

During the first half of 2011, the Corporate Loan portfolio maintained its positive trend in the credit metrics of the aggregate portfolio. The total amount of impairments in first half of 2011 was smaller than that in the same period in 2010, and the total capital requirement for the Corporate Loan portfolio reduced. Additionally, there have been some counterparty credit rating (CCR) upgrades and loss given default (LGD) improvements on existing facilities.

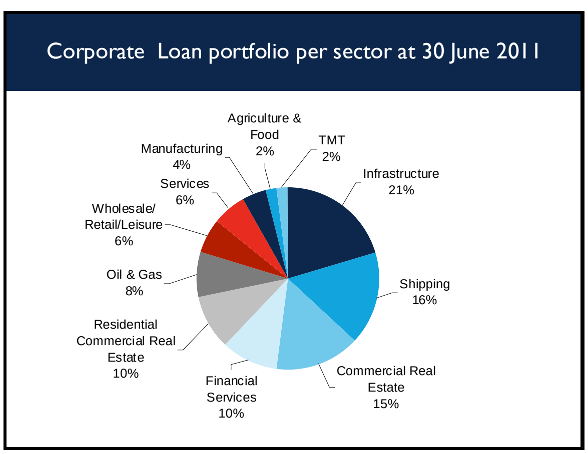
NIBC performed a stress test on the assumptions and scenarios provided by the Dutch Central Bank and voluntarily participated in the European Banking Authority (EBA, successor to CEBS) stress test. The results of both stress tests show NIBC's strong financial position and its significant capital buffers. NIBC's liquidity profile also remains strong. Our renewed access to the public debt market via a successful RMBS securitisation transaction and a covered bond transaction further improved our long-term excess liquidity position. Even in extremely stressed market conditions, where funding markets are closed, NIBC can comfortably meet its financial obligations for the coming year and beyond.

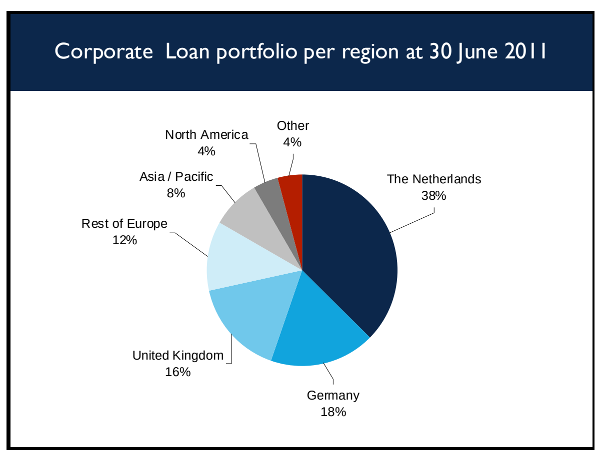
The following pages provide further details about NIBC's exposure as at 30 June 2011.

Credit Risk Management

Corporate loans

The total Corporate Loan portfolio amounts to EUR 9.64 billion at 30 June 2011 (31 December 2010: EUR 9.67 billion). The term 'exposure' includes both drawn and undrawn (on- and off-balance sheet) amounts and applies to all graphs in this section. The following graphs show the Corporate Loan portfolio split in industry sectors and regions at 30 June 2011.





- The *Real Estate* sector (25% of the Corporate Loan portfolio at 30 June 2011; 31 December 2010: 25%) is split in two sub-sectors, namely Commercial Real Estate (CRE) and Residential Commercial Real Estate (RCRE). CRE primarily consists of office and retail property financing and hotel financing and accounts for 15% of all corporate loans. The RCRE sub-sector (10% of all corporate loans) comprises residential property financing, which significantly reduces the concentration risk in the underlying collateral pool. The Real Estate portfolio is mainly located in the Netherlands and Germany and does not contain Project Finance transactions. As in NIBC's Annual Report 2010, the commercial real estate figures include an amount of EUR 614 million of securitised loans. This concerns the Mesdag Delta securitisation; NIBC has retained notes amounting to EUR 144 million, whereas EUR 470 million has been sold.

- The sector *Infrastructure* contains all the infrastructure projects regardless of whether these are roads, railways, energy plants, schools or hospitals. The sector contains 21% of NIBC's Corporate Loan portfolio at 30 June 2011 (31 December 2010: 20%).

- The sector *Financial Services* includes a EUR 364 million loan collateralised by a pool of prime Dutch residential mortgages to an investment-grade financial institution. This sector additionally includes a total of EUR 121 million, which relates to a small number of transactions in which the client is funded through a financial market instrument with highly-rated collateral involved. The sector contains 10% of NIBC's Corporate Loan portfolio at 30 June 2011 (31 December 2010: 9%).

In the first half of 2011, the exposures within the various industry sectors of the Corporate Loan portfolio remained relatively stable. No major changes occurred when compared to the end of 2010.

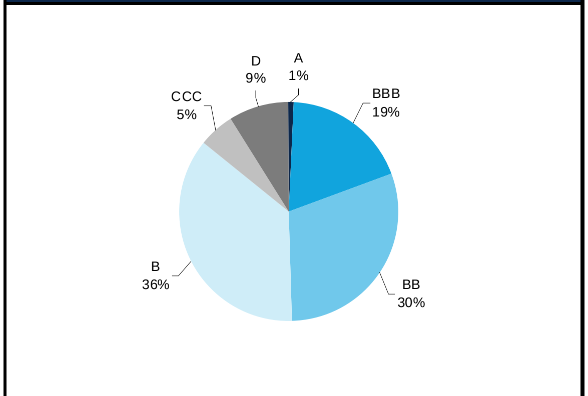
In terms of regional distribution, NIBC's corporate loan exposure is mainly located in the Netherlands, Germany and the United Kingdom. The corporate loan exposure to entities in Spain, Portugal, Italy, Ireland and Greece is very limited (1.6% of the Corporate Loan portfolio).

At 30 June 2011, the total corporate loan impairment amount is EUR 146 million (31 December 2010: EUR 131 million) and the impaired exposure (i.e. gross amount of exposures affected by impairments) is EUR 341 million (31 December 2010: EUR 329 million). The new impairment amounts originate mainly from Shipping transactions; furthermore, several minor impairment increases of existing already impaired transactions took place in the Commercial Real Estate and Leveraged Finance portfolios.

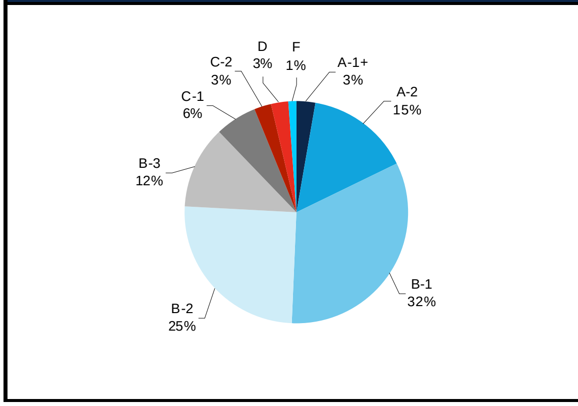
The graph that follows shows the distribution of the Corporate Loan portfolio per counterparty credit rating (CCR). The fact that NIBC's corporate loan exposures are concentrated in sub-investment grade CCRs is counterbalanced by the fact that almost all loans have some form of collateralisation. Loans can be collateralised by mortgages on real estate and ships, by (lease) receivables, liens on machinery and equipment, or by third-party guarantees and other similar agreements. As a result, NIBC's LGDs are concentrated in those LGD categories that correspond to recoveries in the range of 80% and 90%, which are relatively high for the banking industry.

The weighted average CCR (excluding defaulted counterparties) remained stable at a rating of 6+ in NIBC's internal rating scale (B+ in external rating agencies' scales) at 30 June 2011 (31 December 2010: 6+ (B+)). Note that NIBC's (generally) strong collateral position is not taken into account in the determination of the weighted average CCR. Recovery expectations in the Corporate Loan portfolio, which are reflected in the LGD rating, have improved in the first half year of 2011.

Corporate Loan portfolio per CCR at 30 June 2011



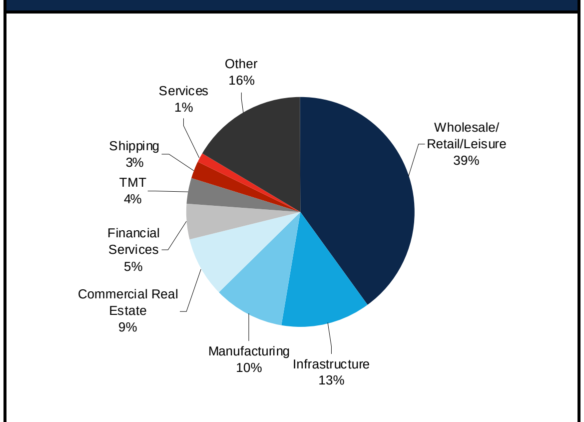
Corporate Loan portfolio per LGD rating at 30 June 2011



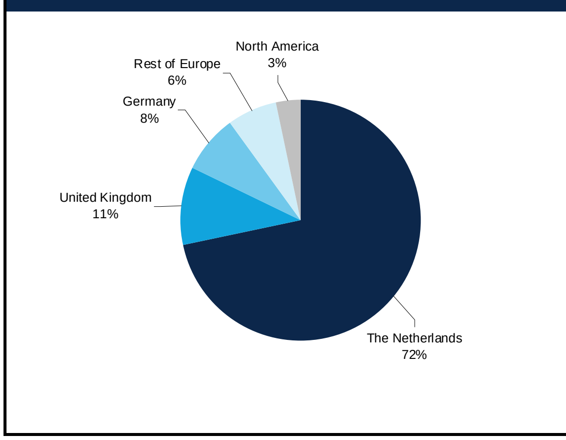
Investment Management loans and equity investments

The total exposure to Investment Management loans and equity investments is EUR 0.6 billion at 30 June 2011 and is concentrated in Western Europe (see chart). Investment Management loans are unsecured, subordinated loans that may contain equity characteristics such as attached warrants or conversion features. Equity investments are positions in private equity, infrastructure equity and real estate equity. Investment Management loans amount to EUR 0.22 billion at 30 June 2011 and equity investments to EUR 0.37 billion at 30 June 2011 (31 December 2010: Investment Management loans: EUR 0.21 billion; equity investments: EUR 0.37 billion).

Investment Management loans and equity investments per sector at 30 June 2011



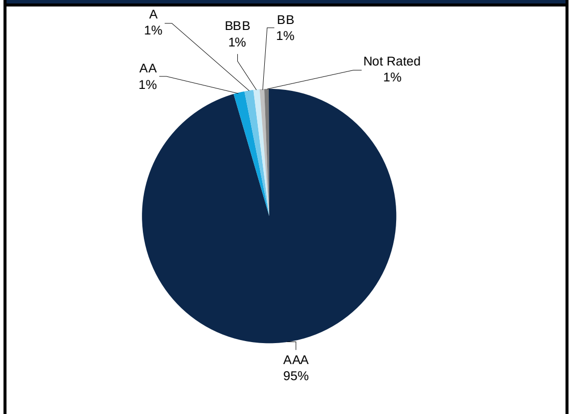
Investment Management loans and equity investments per region at 30 June 2011



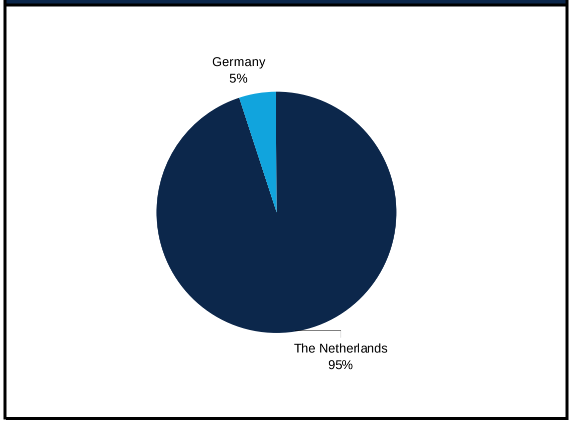
Residential mortgages

NIBC has a healthy Dutch and German Residential Mortgage portfolio of EUR 8.9 billion (31 December 2010: EUR 9.8 billion). The Own Book portfolio is EUR 3.3 billion and the securitised part of the portfolio is EUR 5.6 billion. The default losses in the first half of 2011 amount to EUR 6.5 million. The table below shows the internal rating class allocation of the Residential Mortgage portfolio, based on NIBC's internal rating methodology for tranching a portfolio of residential mortgages. The expectation is that 95% of NIBC's non-securitised portfolio would obtain an "AAA" rating in case it gets securitised.

Residential Mortgage exposure by implied rating at 30 June 2011



Residential Mortgage exposure by region at 30 June 2011



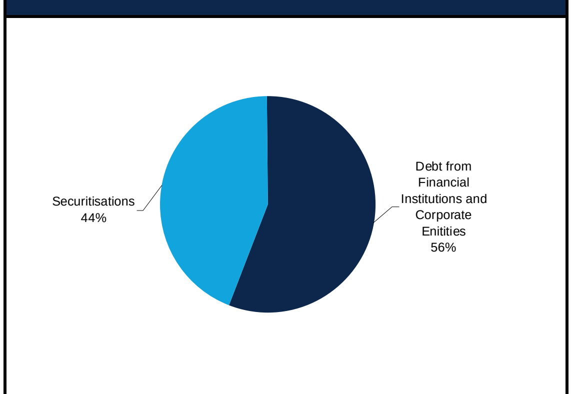
Debt investments

The total Debt Investments portfolio amounts to EUR 1.9 billion at 30 June 2011 (31 December 2010: EUR 2.3 billion). The debt from financial institutions and corporate entities consists of EUR 980 million debt from financial institutions, and EUR 90 million debt from corporate entities (mainly insurance companies). Debt from financial institutions consists for 94 % of single A or higher rated investments. There are no investments in financial institutions domiciled in the periphery euro zone countries, except for Spain where EUR 89 million is invested in bonds with a rating of AA or higher.

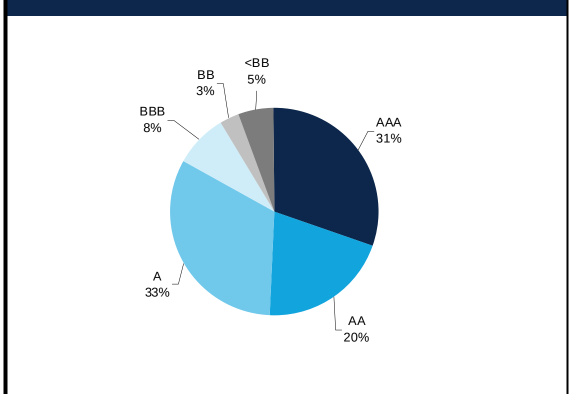
The Securitisations portfolio equals EUR 840 million at 30 June 2011 (31 December 2010: EUR 950 million). This portfolio consists of 56% residential mortgage-backed securities (RMBS), 24% collateralised debt obligations (CDO), 19% commercial mortgage-backed securities (CMBS) and 1% asset-backed securities (ABS). 83% of this portfolio is investment grade and 52% has a rating of AA or higher.

More than 30% of the total securitisation exposure in NIBC is related to the Liquidity portfolio. Investments in this portfolio are restricted to AAA-rated assets collateralised by Dutch residential mortgages with a expected maturity of 0-4 years. The total exposure to securitisations decreased to EUR 840 million at 30 June 2011 (31 December 2010: EUR 950 million). The decrease is predominantly the result of redemptions in the RMBS, CMBS and Liquidity portfolio.

Debt Investment exposure by product at 30 June 2011



Debt Investment exposure by rating at 30 June 2011



Market Risk Management

Interest rate risk within NIBC predominantly resides in the Trading portfolio and in the portfolios containing long-term interest positions. The Trading portfolio consists solely of interest rate-driven exposures. Activities comprise short-term (up to two years) interest position taking, money market and bond futures trading and swap spread position taking. The portfolio is also used for facilitating derivative transactions with corporate clients. The interest rate risk of this position, in terms of basis point value (BPV, the sensitivity of the market value for a change of one basis point in interest rates), equals EUR 148,000 at 30 June 2011.

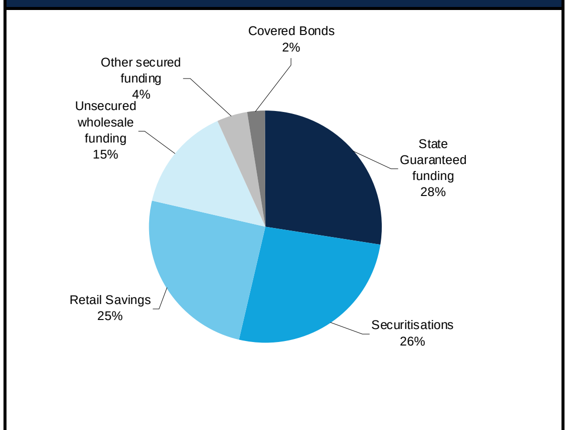
NIBC concentrates the strategic interest rate positions of the bank in two portfolios called EUR Capital Interest position and Long-Term Interest position. Both portfolios exclusively contain swap positions. These positions reflect NIBC's view on future interest rates and contribute positively to the interest income. At 30 June 2011, interest rate risk (BPV) for the EUR Capital Interest position amounts to EUR -371,000, and for the Long-Term Interest position to EUR -207,000 (USD -300,000).

Liquidity Risk Management

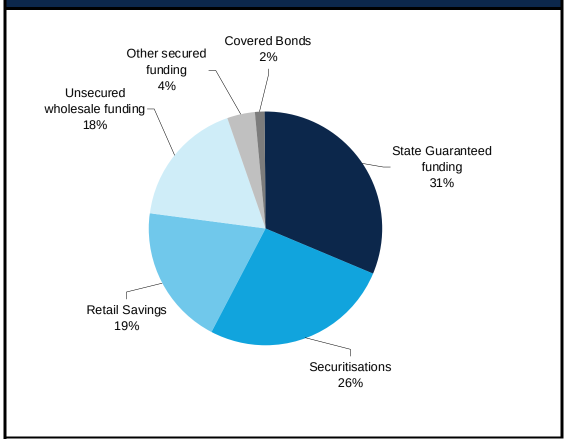
NIBC's liquidity profile remains very strong. NIBC further strengthened its funding base by the issue of a EUR 750 million RMBS securitisation, a EUR 500 million covered bond and a EUR 288 million secured funding transaction in the first half of 2011. Furthermore, retail savings increased by EUR 1,3 billion in 2011. Even in stressed market conditions where funding markets would be closed, NIBC can comfortably meet its financial obligations.

The breakdown of the funding portfolio as at 30 June 2011 and 31 December 2010 is as follows:

Funding portfolio per funding type at 30 June 2011



Funding portfolio per funding type at 31 December 2010



CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
for the six months ended 30 June 2011

REVIEWED

NIBC Bank N.V.

23 August 2011

Small differences are possible due to rounding.

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Consolidated income statement

for the six months ended 30 June 2011

IN EUR MILLIONS	NOTE	30-Jun-11	30-Jun-10
Net interest income		82	60
Net fee and commission income		16	10
Dividend income		1	5
Net trading income	2	15	49
Gains less losses from financial assets	3	25	19
Share in result of associates		2	3
Other operating income		40	24
OPERATING INCOME		**181**	**170**
Personnel expenses	4	70	60
Other operating expenses		40	28
Depreciation and amortisation		11	7
OPERATING EXPENSES		**121**	**95**
Impairments of financial assets	5	9	32
TOTAL EXPENSES		**130**	**127**
PROFIT BEFORE TAX		**51**	**43**
Tax	6	8	(1)
PROFIT AFTER TAX		**43**	**44**
Result attributable to non-controlling interests		-	2
NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDER		**43**	**42**

References relates to the accompanying notes. These forms an integral part of the condensed consolidated interim financial report.

Consolidated statement of comprehensive income
for the six months ended 30 June 2011

	For the six months ended 30 June					
			2011			2010
IN EUR MILLIONS	Before tax	Tax charge/ (credit)	After tax	Before tax	Tax charge/ (credit)	After tax
PROFIT FOR THE PERIOD	**51**	**8**	**43**	**43**	**(1)**	**44**
OTHER COMPREHENSIVE INCOME						
Net result on hedging instruments	(21)	(2)	(19)	68	17	51
Revaluation loans and receivables	9	2	7	9	3	6
Revaluation equity investments	1	1	-	5	1	4
Revaluation debt investments	-	-	-	(2)	1	(3)
Revaluation property, plant and equipment	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	**(11)**	**1**	**(12)**	**80**	**22**	**58**
TOTAL COMPREHENSIVE INCOME	**40**	**9**	**31**	**123**	**21**	**102**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO						
Parent shareholder	40	9	31	121	21	100
Non-controlling interests	-	-	-	2	-	2
TOTAL COMPREHENSIVE INCOME	**40**	**9**	**31**	**123**	**21**	**102**

Consolidated balance sheet

at 30 June 2011

IN EUR MILLIONS	NOTE	30-Jun-11	31-Dec-10
Assets			
FINANCIAL ASSETS AT AMORTISED COST			
Cash and balances with central banks		2,651	1,314
Due from other banks		1,696	1,698
Loans and receivables			
Loans	7	7,146	7,005
Debt investments	8	502	566
Securitised loans	9	614	614
FINANCIAL ASSETS AT AVAILABLE FOR SALE			
Equity investments		64	72
Debt investments	10	1,183	1,190
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Loans	11	1,038	1,074
Residential mortgages own book	12	3,328	4,429
Securitised residential mortgages	13	5,686	5,338
Debt investments	14	299	572
Enhanced investments	15	3	5
Equity investments (including investments in associates)		275	269
Derivative financial assets held for trading		2,367	3,113
Derivative financial assets used for hedging		222	360
OTHER			
Investments in associates (equity method)		30	30
Intangible assets		114	122
Property, plant and equipment		98	101
Investment property		27	26
Current tax		-	4
Other assets		161	112
TOTAL ASSETS		**27,504**	**28,014**

References relates to the accompanying notes. These forms an integral part of the condensed consolidated interim financial report.

Consolidated balance sheet
at 30 June 2011

IN EUR MILLIONS	NOTE	30-Jun-11	31-Dec-10
Liabilities			
FINANCIAL LIABILITIES AT AMORTISED COST			
Due to other banks		1,113	1,354
Deposits from customers		5,981	4,781
Own debt securities in issue	16	7,894	8,209
Debt securities in issue related to securitised mortgages	17	5,680	5,562
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Own debt securities in issue	18	44	46
Debt securities in issue structured	19	1,747	2,120
Derivative financial liabilities held for trading		2,548	3,334
Derivative financial liabilities used for hedging		38	48
OTHER FINANCIAL LIABILITIES			
Other liabilities		196	230
Current tax		13	-
Deferred tax		27	34
Employee benefits		4	5
SUBORDINATED LIABILITIES			
Amortised cost	20	105	119
Fair value through profit or loss	21	306	369
TOTAL LIABILITIES		**25,696**	**26,211**
SHAREHOLDER'S EQUITY			
Share capital	23	80	80
Other reserves		306	318
Retained earnings		1,360	1,329
Net profit attributable to parent shareholder		43	76
(Interim) dividend paid		-	(22)
TOTAL PARENT SHAREHOLDER'S EQUITY		**1,789**	**1,781**
Non-controlling interests		19	22
TOTAL SHAREHOLDER'S EQUITY		**1,808**	**1,803**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**27,504**	**28,014**

References relates to the accompanying notes. These forms an integral part of the condensed consolidated interim financial report.

Consolidated statement of changes in shareholder's equity

IN EUR MILLIONS	Attributable to parent shareholder						
	Share capital	Other reserves [1]	Retained earnings	Net profit	Total	Non-controlling interests	Total share-holder's equity
BALANCE AT 1 JANUARY 2010	**80**	**281**	**1,273**	**44**	**1,678**	**18**	**1,696**
Transfer net profit 2009 to retained earnings	-	-	44	(44)	**-**	-	**-**
Total comprehensive income for the six months ended 30 June 2010	-	58	-	42	**100**	2	**102**
Capital contribution of third parties in a subsidiary controlled by NIBC	-	-	-	-	**-**	-	**-**
Capital contribution share-based payments	-	-	2	-	**2**	-	**2**
Dividend paid [2]	-	-	-	-	**-**	-	**-**
Net investment hedge foreign entities	-	-	-	-	**-**	-	**-**
Other movements	-	-	-	-	**-**	-	**-**
BALANCE AT 30 JUNE 2010	**80**	**339**	**1,319**	**42**	**1,780**	**20**	**1,800**

IN EUR MILLIONS	Attributable to parent shareholder						
	Share capital	Other reserves [1]	Retained earnings	Net profit	Total	Non-controlling interests	Total share-holder's equity
BALANCE AT 1 JANUARY 2011	**80**	**318**	**1,329**	**54**	**1,781**	**22**	**1,803**
Transfer net profit 2010 to retained earnings	-	-	54	(54)	**-**	-	**-**
Total comprehensive income for the six months ended 30 June 2011	-	(12)	-	43	**31**	-	**31**
Capital contribution of third parties in a subsidiary controlled by NIBC	-	-	-	-	**-**	(3)	**(3)**
Capital contribution share-based payments	-	-	(1)	-	**(1)**	-	**(1)**
Dividend paid [2]	-	-	(22)	-	**(22)**	-	**(22)**
Net investment hedge foreign entities	-	-	-	-	**-**	-	**-**
Other movements	-	-	-	-	**-**	-	**-**
BALANCE AT 30 JUNE 2011	**80**	**306**	**1,360**	**43**	**1,789**	**19**	**1,808**

1. Other reserves include share premium, hedging reserve and revaluation reserve.
2. Ordinary (final) dividend paid to equity holder.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2011

IN EUR MILLIONS	30-Jun-11	30-Jun-10
Cash flows from operating activities	1,127	(535)
Cash flows from investing activities	(4)	(27)
Cash flows from financing activities	(742)	(216)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**381**	**(778)**

IN EUR MILLIONS	30-Jun-11	30-Jun-10
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**2,959**	**3,387**
Net increase / (decrease) in cash and cash equivalents	381	(778)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**3,340**	**2,609**

IN EUR MILLIONS	30-Jun-11	30-Jun-10
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and balances with central banks	2,651	1,843
Due from other banks (maturity three months or less)	689	766
	3,340	**2,609**

General Information - most significant critical accounting estimates and judgements

General Information

NIBC Bank N.V. (**NIBC**), together with its subsidiaries (NIBC or the group) is a Dutch bank offering decisive financing, advising and co-investment solutions to midsize companies and entrepreneurs. Sector experts share ideas and market knowledge on specific sectors in the Benelux and Germany - including food, agri & retail, technology, media & services and industries. In addition, NIBC focuses on asset and project financing in the segments shipping & intermodal, oil & gas services, infrastructure & renewables and commercial real estate. NIBC's retail markets activities in both the Netherlands and Germany consist of residential mortgages and online retail saving products via NIBC Direct.

NIBC's clients are corporations, financial institutions, institutional investors, financial sponsors, family offices, entrepreneurial investors and retail clients. Headquartered in The Hague, NIBC has also offices in Brussels, Frankfurt, London and Singapore.

NIBC is a 100% subsidiary of *NIBC Holding N.V.* (**NIBC Holding**).

Where necessary, the comparative figures have been adjusted to conform to changes in presentation in the current year.

Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial report was approved by the Managing Board on 22 August 2011.

The 2011 figures as included in the condensed consolidated interim financial information have been reviewed.

Basis of preparation

The condensed consolidated interim financial report for the six months ended 30 June 2011 does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with NIBC's consolidated financial statements for the year ended 31 December 2010.

The same accounting policies and methods of computation are followed in this condensed consolidated interim financial report as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2010, except, where applicable, for the impact of the adoption of the (amendments to / improvements in) standards and interpretations noted below.

<u>New standards, interpretations and amendments thereof, adopted by the group</u>

- IAS 24 Related Party Transactions (Amendment)

The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have a material impact on the financial position or performance of the group.

- IFRIC 19 Extinguishing financial liabilities with equity instruments.

The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in the income statement, which is measured at the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liabilities extinguished. The interpretation does not have a material impact on the group’s financial position.

- IAS 32 Financial Instruments: Presentation (Amendment)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity’s non-derivative equity instruments, to acquire a fixed number of the entity’s own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the group.

- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The group is not subject to minimum funding requirements in 'Euroland'. The amendment to the interpretation therefore had no effect on the financial position or performance of the group.

<u>Improvements to IFRS (issued May 2010)</u>

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the group.

- IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity’s net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments’ proportionate share of the acquiree’s identifiable net assets. All other components are to be measured at their acquisition date fair value.
- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- IAS 1 Presentation of Financial Statements: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The group provides this analysis in the statement of changes in equity.

- IAS 34 Interim Financial Statements: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. The group has included these disclosures.

Other amendments resulting from Improvements to IFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the group:

- IFRS 3 Business Combinations — Clarification that contingent consideration arising from business combinations prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005).
- IFRS 3 Business Combinations — Unreplaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination.
- IAS 27 Consolidated and Separate Financial Statements — applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards.
- IFRIC 13 Customer Loyalty Programmes — in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programme).

The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Exceptional items are disclosed and described separately in the condensed consolidated interim financial report where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income of expense that have been shown separately due to the significance of their nature or amount.

The preparation of financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying NIBC's accounting policies. The most significant areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial information are described below under the paragraph 'most significant critical accounting estimates and judgements'.

The information provided as of reclassification dates (various notes) relates only to financial assets remaining on the balance sheet as of the reporting date 30 June 2011.

Unless otherwise stated, all amounts are stated in millions of EUR.

Most significant critical accounting estimates and judgements

NIBC makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fair value of certain financial instruments

The fair value of financial instruments is determined based on quoted market prices in an active market or, where no active market exists, by using valuation techniques. In cases where valuation techniques are used, the fair values are estimated from market observable data, where available, or by using models. Where market-observable inputs are not available, they are estimated based on appropriate assumptions. Where valuation techniques are used to determine fair values, they are validated and reviewed periodically by qualified personnel, independent of those who developed them. All models are reviewed prior to use and models are calibrated to ensure that outputs reflect actual data and comparable market prices. To the extent possible, models use only observable data; however, in areas such as applicable credit spreads (both own credit spread and counterparty credit spreads), volatilities and correlations management may be required to estimate inputs.
Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Own liabilities designated at fair value through profit or loss

At 30 June 2011, the fair value of these liabilities was estimated to be EUR 2,097 million (31 December 2010: EUR 2,535 million). This portfolio was designated at fair value through profit or loss and is reported on the face of the balance sheet under the following headings:

- Financial liabilities at fair value through profit or loss: Own debt securities;
- Financial liabilities at fair value through profit or loss: Debt securities in issue structured; and
- Financial liabilities at fair value through profit or loss: Subordinated liabilities.

The credit spread used to revalue these liabilities was based on the observable issuance spread movements of new primary unsecured debt issuances by financial institutions. Bearing in mind the market inactivity, both for cash and synthetic NIBC funding and protection, these observations are combined with movements of both cash and synthetic indices indicators such as Itraxx indices and credit curve developments. The resulting overall market view supports the reasonableness of the range in which the applied credit spread falls. NIBC believes that it applies an appropriate spread level for revaluation purposes.
The valuation of all the above classes of financial liabilities designated at fair value through profit or loss is sensitive to the estimated credit spread used to discount future expected cash flows. A 10 basis point change in the weighted average credit spread used to discount future expected cash flows would increase or decrease the fair value of these own financial liabilities as of 30 June 2011 by EUR 13.6 million (31 December 2010: EUR 14.0 million).

Valuation corporate derivatives (credit value adjustment)

Credit Value Adjustments (**CVAs**) are incorporated into derivative valuations to reflect the risk of default of the counterparty. In essence, CVA represents an estimate of the discounted expected loss on an *Over The Counter* (**OTC**) derivative during the lifetime of the contract. It is applied to all OTC derivative contracts, except for those that benefit from a strong collateral agreement where cash collateral is regularly exchanged, mitigating credit risk. In practice, this means that CVAs are only applied to OTC derivative contracts that generate credit risk on corporate (i.e. non-financial) counterparties.
In line with market practice, the CVA of a derivative contract is calculated at the counterparty level as the sum of the present value of the expected loss estimated over the lifetime of all outstanding OTC derivative contracts that generate credit risk. This requires the application of *Probability of Default* (**PD**) and *Loss Given Default* (**LGD**) estimates to the *Expected Exposure* (**EE**) profile. The EE profile estimate takes into account amortisation of notional amounts and the passage of time to maturity. PD and LGD estimates are based on internal

Counterparty Credit Rating (**CCR**) and LGD ratings due to the absence of a credit market for most of NIBC's corporate counterparties.

The CVA is sensitive to changes in credit quality of the counterparties, as well as to changes in interest rates affecting current exposure. Based on the current composition of the portfolio, the CVA, in general, reduces when interest rates rise.

1. Segment report

The segment information has been prepared in accordance with IFRS 8, operating segments, which defines requirements for the disclosure of financial information of an entity's operating segments.

Identification of segments

IFRS 8 requires operating segments to be identified on the basis of internal management reports on components of the entity that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess segment performance.

NIBC is comprised of the following operating segments:
- Merchant Banking; and
- Specialised Finance.

Segment information for these two operating segments is presented in this condensed consolidated interim financial report on the same basis as used for internal management reporting within NIBC.

Merchant Banking enables corporate clients, financial institutions, entrepreneurial investors and family offices to grow their businesses, by providing clients with access to NIBC's investment banking products, including M&A advisory, lending and equity/mezzanine financing. Merchant Banking's franchise is built on offering integrated solutions to clients. These integrated solutions are based on NIBC's established 'triple play' model of advising, financing and co-investing with clients. NIBC's sector experts share ideas and market knowledge on specific sectors in the Benelux and Germany - including food, agri & retail; technology, media & services and industries - for the benefit of its clients.

Specialised Finance combines expertise in specific sectors with NIBC's balance sheet and capital markets capabilities to provide solutions to clients. It focuses on asset and project financing in the shipping & intermodal, oil & gas, infrastructure & renewables and commercial real estate sectors. The retail activities in residential mortgages and savings (via NIBC Direct) are also incorporated in Specialised Finance.

IFRS 8 requires the disclosure of the information used by the chief operating decision-maker to allocate resources and to assess performance. Management reporting within NIBC is based on IFRS. Segment reporting under IFRS 8 requires a presentation of the segment results based on management reporting methods and a reconciliation between the results of the operating segments and the condensed consolidated interim financial report.

The following table presents the results of the operating segments, including a reconciliation to the consolidated results under IFRS for the periods ended 30 June 2011 and 30 June 2010.

	Operating segments [1]				Total (internal management report)		Consolidation effects [2]		Total (condensed consolidated interim financial report)	
	Merchant Banking		Specialised Finance							
	For the six months ended 30 June									
IN EUR MILLIONS	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Net interest income	42	42	46	22	88	64	(5)	(4)	82	60
Net fee and commission income	12	8	4	2	16	10	-	-	16	10
Dividend income	1	4	0	-	1	5	-	-	1	5
Net trading income	3	4	10	44	14	49	1	1	15	49
Gains less losses from financial assets	24	20	1	-	25	20	0	(1)	25	19
Share in result of associates	1	2	1	1	2	3	-	-	2	3
Other operating income	0	0	0	-	0	1	41	23	41	24
OPERATING INCOME	**82**	**81**	**62**	**70**	**144**	**151**	**37**	**18**	**181**	**170**
OPERATING EXPENSES	**38**	**38**	**45**	**40**	**83**	**78**	**37**	**18**	**120**	**95**
Impairments of financial assets	(6)	18	15	14	9	32	-	-	9	32
TOTAL EXPENSES	**32**	**55**	**59**	**54**	**92**	**109**	**37**	**18**	**129**	**127**
PROFIT BEFORE TAX	**50**	**26**	**2**	**16**	**52**	**41**	**(0)**	**1**	**51**	**43**
Tax	8	(1)	(0)	(1)	8	(2)	0	-	8	(1)
PROFIT AFTER TAX	**42**	**26**	**2**	**17**	**44**	**43**	**(1)**	**-**	**44**	**44**
Average allocated economic capital	374	393	1,064	1,007	1,438	1,400	-	-	1,438	1,400
Average unallocated capital	-	-	86	146	86	146	-	-	86	146
	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10	30-Jun-11	31-Dec-10
Segment assets	2,652	2,464	24,610	25,351	27,263	27,814	241	195	27,504	28,009
Segment liabilities	2,481	2,303	23,020	23,706	25,501	26,009	194	197	25,695	26,206

1. Small differences are possible in the table due to rounding.
2. Concerning controlled non-financial companies included in the consolidation.

Transactions between segments are conducted at arm's length. The funding requirements of each segment reflect funding at market interest rates. Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The items displayed under 'consolidation effects' refer to entities over which Merchant Banking has control. IFRS requires NIBC to consolidate these entities. The internal management report differs from this, as the investments in these entities are non-strategic and the activities of these entities are non-financial. Therefore, in the income statement of Merchant Banking, only NIBC's share in the net result of these entities is included in the line-item 'gains less losses from financial assets'. Subsequently, under 'consolidation effects' this is eliminated and replaced by the figures of these entities used in this condensed consolidated interim financial report of NIBC Bank N.V.

In the income statement of Merchant Banking and Specialised Finance the following allocations are made:

- All expenses relating to Risk Management, Corporate Center and the Managing Board are allocated to the two segments based on the number of direct *full-time equivalents* (**FTEs**) in each segment. Total operating expenses relating to support and overhead amounted to EUR 35 million in the first six months of 2011 (first six months of 2010: EUR 36 million);
- All income and expenses related to Treasury activities are included in Specialised Finance, with the exception of income from NIBC's strategic mismatch position, which is allocated equally to the two operating segments. Income from NIBC's strategic mismatch position amounted to EUR 13 million in the first six months of 2011 (first six months of 2010: EUR 15 million); and
- During 2011, an average of EUR 374 million of economic capital was allocated from Specialised Finance to Merchant Banking (first six months of 2010: EUR 393 million). The benefit for Merchant Banking in net interest income related to this economic capital amounted to EUR 1 million (first six months of 2010: EUR 6 million).

Besides the allocations mentioned above, there are no further inter-segment revenues and expenses for the first six months of 2011 and 2010.

2. Net trading income

Net trading income in the first six months of 2011 of EUR 15 million (first six months of 2010: EUR 49 million) reflects EUR 6 million (first six months of 2010: EUR 43 million) of realised net gains on disposals of assets and liabilities (including repurchased liabilities) and EUR 9 millio (first six months of 2010: EUR 6 million) of net gains due to mark to market movements on assets and liabilities held for trading or designated at fair value through profit or loss.

3. Gains less losses from financial assets

IN EUR MILLIONS	30-Jun-11	30-Jun-10
Equity investments		
GAINS LESS LOSSES FROM EQUITY INVESTMENTS (AVAILABLE FOR SALE)		
Net gain/(losses) on disposal	10	3
Net revaluation gain/(losses) transferred from equity on disposal	(4)	1
Impairment losses equity investments	-	(2)
INVESTMENTS IN ASSOCIATES (EQUITY METHOD)		
Impairment losses investments in associates	-	(1)
Gains less losses from associates (fair value through profit or loss)	13	17
Gains less losses from other equity investments (fair value through profit or loss)	5	-
	24	**19**
Debt investments		
Gains less losses from debt investments (available for sale)	1	-
	1	**-**
	25	**19**

Impairment losses relating to debt investments (available for sale), are presented under impairments of financial assets (see note 5).

4. Personnel expenses

The number of FTEs (excluding FTEs of non-financial companies included in the consolidation) increased from 666 in the first six months of 2010 to 670 in the first six months of 2011.

5. Impairments of financial assets

IN EUR MILLIONS	30-Jun-11	30-Jun-10
IMPAIRMENTS		
Loans classified as amortised cost	28	39
Debt investments classified as amortised cost	-	1
Debt investments classified as available for sale	-	-
	28	**40**
REVERSALS OF IMPAIRMENTS		
Loans classified as amortised cost	(14)	(8)
Debt investments classified as amortised cost	-	-
Debt investments classified as available for sale	(5)	-
	(19)	**(8)**
	9	**32**

6. Tax

IN EUR MILLIONS	30-Jun-11	30-Jun-10
TAX DIFFERENCES CAN BE ANALYSED AS FOLLOWS:		
PROFIT BEFORE TAX	**51**	**42**
Tax calculated at the nominal Dutch corporate tax rate of 25.0% (2010: 25.5%)	13	11
Effect of different tax rates in other countries	(1)	(1)
Impact of income not subject to tax	(4)	(12)
Impact of expenses not deductible for tax purposes	-	1
	8	**(1)**
Effective tax rate	**15.4%**	**-3.4%**

The impact of income not subject to tax mainly relates to income from equity investments and investments in associates, in which NIBC has a stake of more than 5%, being income that is tax exempt under Dutch tax law. NIBC Holding N.V. is the parent company of NIBC Bank N.V., NIBC Investments N.V. and NIBC Investment Management N.V., which are all part of the same fiscal entity.

7. Financial assets - Loans and receivables (amortised cost)

Loans

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Loans	7,146	7,005
	7,146	**7,005**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF LOANS IS ANALYSED AS FOLLOWS:		
Three months or less	829	810
Longer than three months but not longer than one yea	459	525
Longer than one year but not longer than five years	2,786	2,931
Longer than five years	3,072	2,739
	7,146	**7,005**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN IMPAIRMENTS MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**153**	**142**
Additional allowances	32	41
Amounts released	(14)	(7)
Write-offs	(5)	-
Unwinding of discount adjustment	(2)	(1)
Exchange rate differences	(1)	5
BALANCE AT 30 JUNE	**163**	**180**

If NIBC had fair valued the loans classified at amortised cost using the valuation methodology applied to loans designated as available for sale as per 30 June 2011, then the carrying amount would decrease at the balance sheet date by EUR 129 million (31 December 2010: EUR 198 million). This decrease would reflect both changes due to interest rates and credit spreads. NIBC hedges its interest rate risk from these assets.

As of 1 July 2008, NIBC reclassified financial assets (application of amendments to IAS 39 and IFRS 7) from available for sale to loans and receivables. At the date of reclassification NIBC had the intention and ability to hold these reclassified loans and receivables for the foreseeable future or until maturity. NIBC believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified as of 1 July 2008 to loans at amortised cost:

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2011	Fair value as per 30 June 2011
Loan portfolio reclassified from available for sale category	2,382	2,369	2,298

The effective interest rates on financial assets reclassified into loans and receivables as at the date of reclassification - 1 July 2008 - ranged from 5% to 9% with expected undiscounted recoverable cash flows of EUR 2,922 million. Ranges of effective interest rates were determined based on weighted average rates.

8. Financial assets - Loans and receivables (amortised cost)
Debt investments

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Debt investments	502	566
	502	**566**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS IS ANALYSED AS FOLLOWS:		
Three months or less	-	-
Longer than three months but not longer than one yea	1	1
Longer than one year but not longer than five years	58	33
Longer than five years	443	532
	502	**566**

In the first six months of 2011, no impairments were recorded on the debt investments at amortised cost (first six months of 2010: EUR 1 million).

If NIBC had fair valued the debt investments classified as amortised cost using the valuation methodology applied to debt investments at held for trading or available for sale as per 30 June 2011, the carrying amount would decrease at the balance sheet date by EUR 74 million (31 December 2010: EUR 93 million). This decrease would reflect both changes due to interest rates and credit spreads. NIBC hedges its interest rate risk from these assets.

As of 1 July 2008, NIBC reclassified financial assets (application of amendments to IAS 39 and IFRS 7) from held for trading and available for sale to loans and receivables. At the date of reclassification NIBC had the intention and ability to hold these reclassified financial assets for the foreseeable future or until maturity. NIBC believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified as of 1 July 2008 to debt investments at amortised cost:

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2011	Fair value as per 30 June 2011
DEBT INVESTMENTS RECLASSIFIED FROM:			
Held for trading category	444	356	288
Available for sale category	91	80	75

The effective interest rates on held for trading assets reclassified into debt investments at amortised cost as at the date of reclassification - 1 July 2008 - ranged from 4% to 20% with expected undiscounted recoverable cash flows of EUR 690 million.

The effective interest rates on available for sale debt investments as at the date of reclassification - on 1 July 2008 - ranged from 5 % to 8% with expected undiscounted recoverable cash flows of EUR 133 million. Ranges of effective interest rates were determined based on weighted average rates.

9. Financial assets - Loans and receivables (amortised cost)
Securitised loans

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Securitised loans	614	614
	614	**614**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF SECURITISED LOANS IS ANALYSED AS FOLLOWS:		
Three months or less	2	2
Longer than three months but not longer than one yea	-	-
Longer than one year but not longer than five years	-	-
Longer than five years	612	612
	614	**614**

No impairments were recorded in the first six months of 2011 or 2010 on securitised loans at amortised cost.

If NIBC had fair valued the securitised loans classified as amortised cost using the valuation methodology applied to loans designated as available for sale as per 30 June 2011, then the carrying amount would decrease at the balance sheet date by EUR 40 million (31 December 2010: EUR 52 million). The fair value reflects movements due to both interest rate changes and credit spread changes. NIBC hedges its interest rate risk from these assets.

10. Financial assets (available for sale)
Debt investments

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Debt investments	1,183	1,190
	1,183	**1,190**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS IS ANALYSED AS FOLLOWS:		
Three months or less	39	16
Longer than three months but not longer than one yea	257	230
Longer than one year but not longer than five years	496	548
Longer than five years	391	396
	1,183	**1,190**

In the first six months of 2011, there was a reversal of impairment on debt investments at available for sale of EUR 5 million (2010: nil).

As of 1 July 2008, NIBC reclassified non-derivative trading financial assets (application of amendments to IAS 39 and IFRS 7), which do not meet the definition of loans and receivables and are no longer held for the purpose of selling them in the near term, from held for trading to available for sale. NIBC believes that the deterioration of the world's financial markets that occurred in the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified to debt investments at available for sale as per 1 July 2008:

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2011	Fair value as per 30 June 2011
Debt investments reclassified from held for trading category	28	8	8

The effective interest rates on trading assets reclassified into debt investments available for sale as at the date of reclassification - 1 July 2008 - ranged from 13 % to 26 % with expected undiscounted recoverable cash flows of EUR 62 million. Ranges of effective interest rates were determined based on weighted average rates.

11. Financial assets (designated at fair value through profit or loss)
Loans

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Loans to corporate entities	1,038	1,074
	1,038	**1,074**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF LOANS IS ANALYSED AS FOLLOWS:		
Three months or less	4	3
Longer than three months but not longer than one yea	18	32
Longer than one year but not longer than five years	553	573
Longer than five years	463	466
	1,038	**1,074**

12. Financial assets (designated at fair value through profit or loss) Residential mortgages own book

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Residential mortgages own book	3,328	4,429
	3,328	**4,429**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF RESIDENTIAL MORTGAGES OWN BOOK IS ANALYSED AS FOLLOWS:		
Three months or less	25	22
Longer than three months but not longer than one yea	11	12
Longer than one year but not longer than five years	39	39
Longer than five years	3,253	4,356
	3,328	**4,429**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN RESIDENTIAL MORTGAGES OWN BOOK MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**4,429**	**5,817**
Additions (including repurchases from consolidated SPEs)	15	655
Disposals (sale and redemption, including replenishment of consolidated SPEs)	(1,035)	(1,033)
Changes in fair value	(81)	126
BALANCE AT 30 JUNE	**3,328**	**5,565**

The changes in fair value in the previous table reflect movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these assets, the movement due to interest rate changes is compensated with results on financial derivatives.

Interest income from residential mortgages own book is recognised in net interest income based on the effective interest rate. Fair value movements (excluding interest) are recognised in net trading income.

The maximum credit exposure including committed but undrawn facilities is EUR 3,335 million at 30 June 2011 (31 December 2010: EUR 4,438 million).

13. Financial assets (designated at fair value through profit or loss) Securitised residential mortgages

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Securitised residential mortgages	5,686	5,338
	5,686	**5,338**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF SECURITISED RESIDENTIAL MORTGAGES IS ANALYSED AS FOLLOWS:		
Three months or less	1	1
Longer than three months but not longer than one yea	2	1
Longer than one year but not longer than five years	18	15
Longer than five years	5,665	5,321
	5,686	**5,338**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN SECURITISED RESIDENTIAL MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**5,338**	**4,783**
Additions	750	762
Disposals (sale and/or redemption including transfers to own book)	(316)	(844)
Changes in fair value	(86)	104
BALANCE AT 30 JUNE	**5,686**	**4,805**

The changes in fair value in the previous table reflect movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these assets, the movement due to interest rate changes is compensated with results on financial derivatives.

Interest income from securitised residential mortgages is recognised in net interest income and similar income at the effective interest rate. Fair value movements (excluding interest) are recognised in net trading income.

At 30 June 2011, securitised residential mortgages in the amount of EUR 5,686 million (31 December 2010: EUR 5,338 million) were pledged as collateral for NIBC's own liabilities.

The maximum credit exposure is EUR 5,686 million at 30 June 2011 (31 December 2010: EUR 5,338 million)

Securitised residential mortgages are retained on NIBC's balance sheet based on the risks and rewards NIBC retains in the SPEs issuing the mortgage-backed notes. Risks and rewards can be retained by NIBC by (amongst others) retaining issued notes, providing overcollateralisation to the SPEs or implementing reserve accounts in the SPEs. At 30 June 2011, NIBC retained EUR 622 million (31 December 2010: EUR 298 million) of notes issued by the SPEs, overcollateralisation provided to the SPEs amounted to EUR 21 million at 30 June 2011 (31 December 2010: EUR 21 million) and reserve accounts amounted to EUR 15 million at 30 June 2011 (31 December 2010: EUR 6 million).

14. Financial assets (designated at fair value through profit or loss, including trading) Debt investments

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Held for trading	80	101
Designated at fair value through profit or loss	219	471
	299	**572**

All debt investments are non-government.

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS IS ANALYSED AS FOLLOWS:		
Three months or less	-	15
Longer than three months but not longer than one yea	33	56
Longer than one year but not longer than five years	55	266
Longer than five years	131	134
	219	**471**

15. Financial assets (designated at fair value through profit or loss) Enhanced investments

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Enhanced investments	3	5
	3	**5**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF ENHANCED INVESTMENTS IS ANALYSED AS FOLLOWS:		
Three months or less	-	2
Longer than three months but not longer than one yea	2	2
Longer than one year but not longer than five years	1	1
Longer than five years	-	-
	3	**5**

16. Financial liabilities (amortised cost)
Own debt securities in issue

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Bonds and notes issued	7,794	8,062
Fair value hedge adjustment	100	147
	7,894	**8,209**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:		
Three months or less	14	8
Longer than three months but not longer than one yea	3,538	1,417
Longer than one year but not longer than five years	4,219	6,636
Longer than five years	123	148
	7,894	**8,209**

For an equivalent amount of EUR 6,114 million (31 December 2010: EUR 6,846 million) of the issued notes, the Dutch State has unconditionally and irrevocably guaranteed the due payment of all amounts of principal and interest due by NIBC under these notes according and subject to (i) the Rules governing the 2008 Dutch State's Credit Guarantee Scheme and (ii) the Guarantee Certificate issued under those Rules in respect of these notes. These Rules and the Guarantee Certificate are available at www.dutchstate.nl.

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**8,209**	**8,836**
Additions	545	212
Disposals	(676)	(825)
Other movements and exchange rate differences	(184)	407
BALANCE AT 30 JUNE	**7,894**	**8,630**

The disposals of own debt securities in issue at amortised cost in the first six months of 2011 include redemptions at the scheduled maturity date to an amount of EUR 119 million (first six months of 2010: EUR 749 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 557 million (first six months of 2010: EUR 76 million). The remaining legal maturity at time of repurchase of these debt securities is between six and nine months.

17. Financial liabilities (amortised cost)
Debt securities in issue related to securitised mortgages

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Bonds and notes issued	5,680	5,562
	5,680	**5,562**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES IS ANALYSED AS FOLLOWS:		
Three months or less	12	11
Longer than three months but not longer than one yea	-	-
Longer than one year but not longer than five years	-	-
Longer than five years	5,668	5,551
	5,680	**5,562**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**5,562**	**5,231**
Additions	750	750
Disposals	(632)	(910)
Other movements and exchange rate differences	-	-
BALANCE AT 30 JUNE	**5,680**	**5,071**

18. Financial liabilities (designated at fair value through profit or loss)
Own debt securities in issue

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Bonds and notes issued	44	46
	44	**46**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:		
Three months or less	-	-
Longer than three months but not longer than one yea	10	1
Longer than one year but not longer than five years	11	17
Longer than five years	23	28
	44	**46**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**46**	**85**
Additions	1	1
Disposals	(1)	(43)
Changes in fair value	(2)	2
Exchange rate differences	-	1
BALANCE AT 30 JUNE	**44**	**46**

The disposals of own debt securities in issue designated at fair value through profit or loss in the first six months of 2011 and 2010, reflect the redemptions at the scheduled maturity date. The changes in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated with results on financial derivatives.

19. Financial liabilities (designated at fair value through profit or loss)
Debt securities in issue structured

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Bonds and notes issued	1,747	2,120
	1,747	**2,120**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE STRUCTURED IS ANALYSED AS FOLLOWS:		
Three months or less	31	47
Longer than three months but not longer than one yea	124	129
Longer than one year but not longer than five years	944	476
Longer than five years	648	1,468
	1,747	**2,120**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN DEBT SECURITIES IN ISSUE STRUCTURED MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**2,120**	**2,453**
Additions	10	10
Disposals	(197)	(295)
Changes in fair value	(141)	133
Exchange rate differences	(45)	132
BALANCE AT 30 JUNE	**1,747**	**2,432**

The disposals of debt securities in issue designated at fair value through profit or loss in the first six months of 2011 include redemptions at the scheduled maturity date to an amount of EUR 177 million (first six months of 2010: EUR 274 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 20 million (first six months of 2010: EUR 21 million). The remaining legal maturity at time of repurchase of these debt securities is between 4 and 12 years. The changes in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated with results on financial derivatives.

20. Subordinated liabilities - amortised cost

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Subordinated loans qualifying as Tier-I capital	62	76
Other subordinated loans	43	43
	105	**119**

	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - AMORTISED COST IS ANALYSED AS FOLLOWS:		
One year or less	-	-
Longer than one year but not longer than five years	25	25
Longer than five years but not longer than ten years	6	7
Longer than ten years	74	87
	105	**119**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN SUBORDINATED LIABILITIES - AMORTISED COST MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	119	132
Additions	1	-
Disposals	(9)	(21)
Exchange rate differences	(6)	13
BALANCE AT 30 JUNE	**105**	**125**

The disposals of subordinated liabilities at amortised cost in the first six months of 2011 include repurchases of debt securities before the legal maturity date to an amount of 9 EUR million (first six months of 2010: EUR 21 million).

21. Subordinated liabilities - designated at fair value through profit or loss

IN EUR MILLIONS	30-Jun-11	31-Dec-10
Subordinated loans qualifying as Tier-I capital	134	197
Other subordinated loans	172	172
	306	**369**

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - FAIR VALUE IS ANALYSED AS FOLLOWS:		
One year or less	-	-
Longer than one year but not longer than five years	39	23
Longer than five years but not longer than ten years	18	35
Longer than ten years	249	311
	306	**369**

IN EUR MILLIONS	2011	2010
THE MOVEMENT IN SUBORDINATED LIABILITIES - FAIR VALUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	369	369
Additions	1	1
Disposals	-	-
Changes in fair value	(47)	24
Exchange rate differences	(17)	39
BALANCE AT 30 JUNE	**306**	**434**

There were no disposals, redemptions or repurchases of subordinated liabilities at fair value through profit or loss in the first six months of 2011 (first six months of 2010: nil). The fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated with results on financial derivatives.

22. Impact reclassification financial assets on comprehensive income
(application of amendments to IAS 39 and IFRS 7)

As of 1 July 2008, NIBC reclassified non-derivative trading financial assets, which do not meet the definition of loans and receivables and are no longer held for the purpose of selling them in the near term, from held for trading to available for sale. NIBC believes that the deterioration of the world's financial markets that occurred in the course of 2008 represents a rare circumstance that allows such a reclassification.

In addition, NIBC reclassified financial assets from held for trading and available for sale to loans and receivables. At the date of reclassification NIBC had the intention and ability to hold these reclassified loans and receivables for the foreseeable future or until maturity.

NIBC has recognised the following gains, losses, income and expenses in the income statement in respect of reclassified financial assets:

	For the six months ended 30 June			
	2011		2010	
IN EUR MILLIONS	After reclassification	Before reclassification	After reclassification	Before reclassification
Net interest income	47	43	57	55
Net trading income	4	31	(1)	44
Impairment of financial assets	11	6	(29)	(28)

If the reclassifications had not been made in 2008, the income statement for the first six months of 2011 would have included a net of tax profit on the reclassified financial assets of EUR 13 million (first six months of 2010: net of tax profit of EUR 33 million) mainly due to year-to-date fair value increases of debt investments. Additionally there would have been a net of tax increase in the first six months of 2011 of EUR 22 million (net of tax increase in the first six months of 2010: EUR 11 million) in other comprehensive income (revaluation reserve) representing unrealised fair value gains and losses on the reclassified financial assets available for sale which are not impaired.

23. Capital and shares

The ultimate controlling company is New NIB Limited, a company incorporated in Ireland.

Share capital

IN EUR MILLIONS	30-Jun-11	31-Dec-10
SHARE CAPITAL CAN BE CATEGORISED AS FOLLOWS:		
Paid-up capital	80	80
	80	80

IN EUR MILLIONS	30-Jun-11	31-Dec-10
THE NUMBER OF AUTHORISED SHARES IS SPECIFIED AS FOLLOWS:		
Number of authorised shares[1]	218,937,500	218,937,500
Number of shares issued and fully paid[2]	62,586,794	62,586,794
Par value per A-share	1.28	1.28
Par value per preferent share	1.00	1.00

1. The authorised capital amounts to EUR 250 million and is divided into 110,937,500 A shares of EUR 1.28 nominal value and 108,000,000 preference shares of EUR 1.00 nominal value.

2. The shares issued and fully paid consist of A shares.

24. Fair value of financial instruments

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 within the fair value hierarchy based on the degree to which the fair value is market observable. Reported fair values are categorised in the hierarchy depending on how they are determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs that are not based on observable market data (unobservable inputs) (level 3).

The following table presents NIBC's assets and liabilities that are measured at fair value at 30 June 2011:

Fair value of financial instruments at 30 June 2011

IN EUR MILLIONS	Level 1	Level 2	Level 3	30-Jun-11
FINANCIAL ASSETS AVAILABLE FOR SALE				
Equity investments				
Listed	-	-	-	**-**
Unlisted	-	-	64	**64**
Debt investments	-	1,175	8	**1,183**
	-	**1,175**	**72**	**1,247**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Loans	-	1,038	-	**1,038**
Residential mortgages own book	-	3,328	-	**3,328**
Securitised residential mortgages	-	5,686	-	**5,686**
Debt investments	-	299	-	**299**
Enhanced investments	-	3	-	**3**
Equity investments (including investments in associates)	1	-	274	**275**
Derivative financial assets held for trading	-	2,367	-	**2,367**
Derivative financial assets used for hedging	-	222	-	**222**
	1	**12,943**	**274**	**13,218**
	1	**14,118**	**346**	**14,465**

IN EUR MILLIONS	Level 1	Level 2	Level 3	30-Jun-11
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Own debt securities in issue	-	44	-	**44**
Debt securities in issue structured	-	1,747	-	**1,747**
Derivative financial liabilities held for trading	-	2,548	-	**2,548**
Derivative financial liabilities used for hedging	-	38	-	**38**
Subordinated liabilities	-	306	-	**306**
	-	**4,683**	**-**	**4,683**

The following table presents NIBC's assets and liabilities that are measured at fair value at 31 December 2010:

Fair value of financial instruments at 31 December 2010

IN EUR MILLIONS	Level 1	Level 2	Level 3	31-Dec-10
FINANCIAL ASSETS AVAILABLE FOR SALE				
Equity investments				
Listed	-	-	-	**-**
Unlisted	-	-	72	**72**
Debt investments	-	1,187	3	**1,190**
	-	**1,187**	**75**	**1,262**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Loans	-	1,074	-	**1,074**
Residential mortgages own book	-	4,429	-	**4,429**
Securitised residential mortgages	-	5,338	-	**5,338**
Debt investments	-	572	-	**572**
Enhanced investments	-	5	-	**5**
Equity investments (including investments in associates)	1	-	268	**269**
Derivative financial assets held for trading	-	3,113	-	**3,113**
Derivative financial assets used for hedging	-	360	-	**360**
	1	**14,891**	**268**	**15,160**
	1	**16,078**	**343**	**16,422**

IN EUR MILLIONS	Level 1	Level 2	Level 3	31-Dec-10
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Own debt securities in issue	-	46	-	**46**
Debt securities in issue structured	-	2,120	-	**2,120**
Derivative financial liabilities held for trading	-	3,334	-	**3,334**
Derivative financial liabilities used for hedging	-	48	-	**48**
Subordinated liabilities	-	369	-	**369**
	-	**5,917**	**-**	**5,917**

During the six months ended 30 June 2011, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements. No transfers between any level of the fair value hierarchy took place in the equivalent comparative period.

The following table shows the impact on the fair value of level 3 instruments of using reasonably possible alternative assumptions by class of instrument:

	30-Jun-11		31-Dec-10	
IN EUR MILLIONS	Carrying amount	Effect of reasonably possible alternative assumptions	Carrying amount	Effect of reasonably possible alternative assumptions
AVAILABLE FOR SALE FINANCIAL ASSETS				
Equity investments (unlisted)	64	-	72	-
Debt investments	8	1	3	1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Equity investments (including investments in associates)	276	27	268	24

In order to determine the reasonably possible alternative assumptions, NIBC adjusted key unobservable valuation technique inputs as follows:

• For equity investments, the material unobservable input parameter is the capitalisation multiple that is applied to the maintainable earnings to determine fair value. NIBC adjusted the capitalisation multiples by increasing and decreasing the capitalisation multiples by 10 per cent, which is considered by NIBC to be within a range of reasonably possible alternatives based on capitalisation multiples of companies with similar industry and risk profiles; and

• For the debt investments, NIBC adjusted the weighted average calculated model price by 100 basis points as a reasonably possible alternative outcome. The primary unobservable input in the calculated model price is the applicable credit spread.

NIBC does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

In 2011, there were no significant changes in the business or economic circumstances that affect the fair value of the NIBC's financial assets and liabilities.

In 2011, there were no reclassifications of financial assets.

25. Related party transactions

Transactions related to associates

As at 30 June 2011, NIBC had EUR 101 million of loans advanced to its associates (31 December 2010: EUR 106 million). Besides net interest income on these loans, NIBC earned no fees from these associates in 2011 and 2010.

Transactions involving NIBC's shareholders

In addition to the related party transactions disclosed in the annual financial statements for the year ended 31 December 2010, no significant related party transactions were executed in 2011. Loans advanced by NIBC to its parent and to entities controlled by its parent entity decreased in the first half year of 2011 from a net exposure of EUR 419 million at 31 December 2010 to EUR 389 million at 30 June 2011. The interest received and paid on this exposure was at arm's length.

26. Legal proceedings

There were a number of legal proceedings outstanding against NIBC at 30 June 2011. No provision has been made, as legal advice indicates that it is unlikely that any significant loss will arise.

27. Business combinations

The purchase price allocation processes relating to the materialised acquisitions of Olympia Nederland Holding N.V. and Cyclomedia Technology B.V. in 2010 were completed in the first half of 2011. The identifiable net assets arrived at for these acquisitions was EUR 5 million lower than provisionally recognised in the financial statements 2010, due to higher fair value of other liabilities assumed. Consequently, the recognised goodwill following the acquisition of business combinations is EUR 5 million higher than presented in the financial statements 2010. Therefore, the 2010 comparative figures (balance sheet 31 December 2010) are adjusted retrospectively to increase the fair value of other liabilities at the acquisition date by EUR 5 million, offset by an increase of intangible assets (goodwill) of EUR 5 million. The carrying value of intangible assets at 31 December 2010 of EUR 117 million increases by EUR 5 million to EUR 122 million (goodwill acquired in business combinations increases by EUR 5 million from EUR 59 million to EUR 64 million).

28. Commitments and contingent assets and liabilities

At any time, NIBC has outstanding commitments to extend credit. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one to three months. Commitments extended to customers related to mortgages at fixed interest rates or fixed spreads are hedged with interest rate swaps recorded at fair value. These commitments are designated upon initial recognition at fair value through profit or loss.

NIBC provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. Expirations are not concentrated in any period.

The contractual amounts of commitments (excluding residential mortgage commitments of EUR 7 million at 30 June 2011 (at 30 June 2010: EUR 10 million), which in this condensed consolidated interim financial report are measured at fair value through profit or loss) and contingent liabilities are set out in the following table by category. In the table, it is assumed that amounts are fully advanced.

The amounts for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

IN EUR MILLIONS	30-Jun-11	30-Jun-10
Contract amount		
Committed facilities with respect to corporate loan financing (including investment management loans)	1,492	1,264
Capital commitments with respect to equity investments	42	92
Guarantees granted	137	333
Irrevocable letters of credit	3	75
	1,674	**1,764**

These commitments and contingent liabilities have off-balance sheet credit risk because only commitment/origination fees and accruals for probable losses are recognised in the balance sheet until the commitments are fulfilled or expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows.

29. Subsequent events

There are no subsequent events.

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Review report

To: the managing board and supervisory board of NIBC Bank N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial report for the six-month period ended 30 June 2011 of NIBC Bank N.V., The Hague, which comprises the consolidated balance sheet as at 30 June 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholder's equity, the condensed consolidated statement of cash flows and the selected explanatory notes for the six-month period then ended. The managing board is responsible for the preparation and presentation of this condensed consolidated interim financial report in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial report based on our review.

Scope

We conducted our review in accordance with Dutch law including Standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Company'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial report as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Corresponding figures not audited or reviewed

We have not audited or reviewed the condensed consolidated interim financial report for the six-month period ended 30 June 2010. Consequently, the corresponding figures in the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in shareholder's equity, the condensed consolidated statement of cash flows and the selected explanatory notes thereto, have not been audited or reviewed.

Amsterdam, 23 August 2011
PricewaterhouseCoopers Accountants N.V.

Original signed by J.A.M. Stael RA

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Profile of NIBC

NIBC is the bank of choice for decisive financial moments. We offer crystal-clear answers to enterprising companies' complex challenges, developing tailor-made solutions that help them develop and grow. The spirit of enterprise inspires everything we do: agile and always available, we think as entrepreneurs and always go the extra mile for our clients as we use our expertise to help them chart their financial course.

We offer *Merchant Banking* in the Benelux and Germany through a combination of advice, financing and co-investment and *Specialised Finance* in sectors such as shipping & intermodal, oil & gas services, infrastructure & renewables and commercial real estate. We put together a cross-discipline team for every transaction.

We build long-term relationships with our clients – corporations, financial institutions, institutional investors, financial sponsors, family offices and entrepreneurial investors. Headquartered in The Hague, we have offices in Brussels, Frankfurt, London and Singapore.

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Disclaimer

Presentation of information

The Annual Accounts of NIBC Bank N.V. ('NIBC') are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU').
In preparing the financial information in this Condensed Consolidated Interim Financial Report (NIBC Bank N.V.) for the six months ended 30 June 2011 (the 'Financial Report'), the same accounting principles are applied as in the 2010 NIBC's Annual Accounts, save for any change described in the paragraph 'General information, most significant critical accounting estimates and judgements'. All 2011 related figures in this Financial Report have been reviewed.

Cautionary statement regarding forward-looking statements

Certain statements in the Financial Report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC's business, result of operation, financial condition, plans, objectives, goals, strategies, future events, future revenues and/or performance, capital expenditures, financing needs, plans or intentions, as well as assumptions thereof. These statements are based on NIBC's current view with respect to future events and financial performance. Words such as 'believe', 'anticipate', 'estimate', 'expect', 'intend', 'predict', 'project', 'could', 'may', 'will', 'plan' and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve uncertainties and are subject to certain risks, including, but not limited to (i) general economic conditions, in particular in NIBC's core and niche markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets (ix) changes in law and regulations, including taxes (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives and (xii) the risks and uncertainties as addressed in the Financial Report, the occurrence of which could cause NIBC's actual results and/or performance to differ from those predicted in such forward-looking statements and from past results.
The forward-looking statements speak only as of the date hereof. NIBC does not undertake any obligation to update or revise forward-looking statements contained in the financial report, whether as a result of new information, future events or otherwise.
Neither NIBC nor any of its directors, officers, employees do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The Hague, 22 August 2011
Managing Board

Jeroen Drost, Chairman, Chief Executive Officer, Chief Risk Officer a.i.
Kees van Dijkhuizen, Vice-Chairman, Chief Financial Officer
Rob ten Heggeler, Member
Jeroen van Hessen, Member