Condensed consolidated interim financial report for the six months period ended 30 June 2015

NIBC Holding N.V.

Reviewed

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Condensed consolidated interim financial report

Interim consolidated income statement

for the six months period ended 30 June 2015

IN EUR MILLIONS	NOTE	For the period ended 30-Jun-15	For the period ended 30-Jun-14
Net interest income		130	100
Net fee and commission income		16	12
Dividend income		1	2
Net trading income	2	(6)	3
Gains less losses from financial assets	3	8	17
Share in result of associates		1	-
Other operating income		10	10
OPERATING INCOME		**160**	**144**
Personnel expenses	4	49	48
Other operating expenses		34	29
Depreciation and amortisation		5	5
OPERATING EXPENSES		**88**	**82**
Impairments of financial assets	5	23	28
Impairments of non-financial assets	5	3	-
SNS Levy (Net)	6	-	12
TOTAL EXPENSES		**114**	**122**
PROFIT BEFORE TAX		**46**	**22**
Tax	7	13	7
NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS		**33**	**15**

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

Interim consolidated statement of comprehensive income

for the six months period ended 30 June 2015

	For the period ended 30-Jun-15			For the period ended 30-Jun-14		
IN EUR MILLIONS	Before tax	Tax charge/ (credit)	After tax	Before tax	Tax charge/ (credit)	After tax
PROFIT FOR THE PERIOD	**46**	**13**	**33**	**22**	**7**	**15**
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS						
Remeasurements of defined-benefit plans	-	-	-	(11)	(3)	(8)
Revaluation of property, plant and equipment	-	-	-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Net result on hedging instruments	(20)	(5)	(15)	5	(1)	6
Revaluation of equity investments	6	1	5	4	1	3
Revaluation of debt investments	(2)	(1)	(1)	9	2	7
TOTAL OTHER COMPREHENSIVE INCOME	**(16)**	**(5)**	**(11)**	**7**	**(1)**	**8**
TOTAL COMPREHENSIVE INCOME	**30**	**8**	**22**	**29**	**6**	**23**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO						
Parent shareholders	30	8	22	29	6	23
Non-controlling interests	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**30**	**8**	**22**	**29**	**6**	**23**

Interim consolidated balance sheet
at 30 June 2015

IN EUR MILLIONS	NOTE	30-Jun-15	31-Dec-14
Assets			
FINANCIAL ASSETS AT AMORTISED COST			
Cash and balances with central banks		1,118	474
Due from other banks		2,307	2,287
Loans and receivables			
Loans	8	7,011	6,994
Residential mortgages own book	9	1,558	1,078
Debt investments	10	318	359
FINANCIAL ASSETS AVAILABLE-FOR-SALE			
Debt investments	11	1,126	945
Equity investments		55	53
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Loans	12	332	374
Residential mortgages own book	13	3,701	3,342
Securitised residential mortgages	14	2,903	3,638
Debt investments	15	40	37
Equity investments (including investments in associates)		246	276
Derivative financial assets		2,239	2,851
OTHER			
Investments in associates (equity method)		7	6
Investment property		399	1
Intangible assets		39	43
Property, plant and equipment		41	42
Current tax		-	2
Other assets		112	108
Deferred tax		50	48
TOTAL ASSETS		**23,602**	**22,958**

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

Interim consolidated balance sheet

at 30 June 2015

IN EUR MILLIONS	NOTE	30-Jun-15	31-Dec-14
Liabilities and equity			
FINANCIAL LIABILITIES AT AMORTISED COST			
Due to other banks		999	1,159
Deposits from customers		10,949	10,156
Own debt securities in issue	16	3,100	2,064
Debt securities in issue related to securitised mortgages and lease receivables	17	2,672	3,348
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Own debt securities in issue	18	36	35
Debt securities in issue structured	19	777	823
Derivative financial liabilities		2,786	3,217
OTHER FINANCIAL LIABILITIES			
Other liabilities		176	149
Current tax		9	-
Employee benefits		4	4
SUBORDINATED LIABILITIES			
Amortised cost	20	120	67
Fair value through profit or loss	21	269	253
TOTAL LIABILITIES		**21,897**	**21,275**
SHAREHOLDERS' EQUITY			
Share capital	23	1,408	1,408
Other reserves		592	603
Retained earnings		(328)	(231)
Net profit attributable to parent shareholders		33	(97)
TOTAL PARENT SHAREHOLDERS' EQUITY		**1,705**	**1,683**
Non-controlling interests		-	-
TOTAL SHAREHOLDERS' EQUITY		**1,705**	**1,683**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**23,602**	**22,958**

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

Interim consolidated statement of changes in shareholders' equity

IN EUR MILLIONS	Attributable to parent shareholders								
	Share capital	Other reserves[1]	Retained earnings	Remeasu-rements of defined-benefit plans	Net profit	Distribu-tion charged to net profit	Total	Non-control-ling interests	Total share-holders' equity
BALANCE AT 1 JANUARY 2014	**1,408**	**581**	**(216)**	**(9)**	**18**	**(17)**	**1,765**	**-**	**1,765**
Transfer of net profit 2013 to retained earnings	-	-	1	-	(18)	17	-	-	-
Total comprehensive income for the period ended 30 June 2014	-	16	-	(8)	15	-	23	-	23
Proceeds from shares issued	-	(2)	-	-	-	-	(2)	-	(2)
Net investment hedge foreign currency	-	-	(2)	-	-		(2)	-	(2)
Other	-	-	(2)	-	-	-	(2)	-	(2)
BALANCE AT 30 JUNE 2014	**1,408**	**595**	**(219)**	**(17)**	**15**	**-**	**1,782**	**-**	**1,782**

IN EUR MILLIONS	Attributable to parent shareholders								
	Share capital	Other reserves[1]	Retained earnings	Remeasu-rements of defined-benefit plans	Net result	Distribu-tion charged to net profit	Total	Non-control-ling interests	Total share-holders' equity
BALANCE AT 1 JANUARY 2015	**1,408**	**603**	**(231)**	**-**	**(97)**	**-**	**1,683**	**-**	**1,683**
Transfer of net profit 2014 to retained earnings	-	-	(97)	-	97	-	-	-	-
Total comprehensive income for the period ended 30 June 2015	-	(11)	-	-	33	-	22	-	22
BALANCE AT 30 JUNE 2015	**1,408**	**592**	**(328)**	**-**	**33**	**-**	**1,705**	**-**	**1,705**

[1] Other reserves include share premium, hedging reserve and revaluation reserves.

Interim condensed consolidated statement of cash flows

for the six months period ended 30 June 2015

IN EUR MILLIONS	For the period ended 30-Jun-15	For the period ended 30-Jun-14
Cash flows from operating activities	59	469
Cash flows from investing activities	(415)	(2)
Cash flows from financing activities	1,060	(624)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**704**	**(157)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**1,021**	**1,606**
Net increase / (decrease) in cash and cash equivalents	704	(157)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**1,725**	**1,449**
RECONCILIATION OF CASH AND CASH EQUIVALENTS[1]:		
Cash and balances with central banks	1,014	771
Due from other banks (maturity three months or less)	711	678
	1,725	**1,449**

[1] The difference between the cash and cash equivalents as included in the previous table and the cash and cash equivalents as included in the interim consolidated balance sheet of EUR 1,700 million represents cash and cash equivalents not receivable on demand and cash collateral placements posted under CSA agreements.

General information – most significant critical accounting estimates and judgements

General information
NIBC Holding N.V., together with its subsidiaries (**NIBC Holding or the group**), is incorporated and domiciled in the Netherlands. NIBC Holding is an enterprising bank offering corporate and consumer banking services. Our Corporate Banking activities offer advice, financing and co-investing in a number of chosen sectors: Food, Agri, Retail & Health; Commercial Real Estate; Industries & Manufacturing; Infrastructure & Renewables; Oil & Gas Services; Shipping & Intermodal; and Technology, Media & Services. Our expertise spans debt and equity mezzanine, mergers & acquisitions, capitalisation advisory, leveraged finance and structured finance. Consumer Banking offers savings in the Netherlands, Germany and Belgium, mortgages in the Netherlands and brokerage services in Germany under our NIBC Direct label.

Headquartered in The Hague, NIBC Holding also has offices in Frankfurt, London and Brussels.

Statement of IFRS compliance
The condensed consolidated interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union as issued by the International Accounting Standards Board.

This condensed consolidated interim financial report was approved by the Managing Board on 25 August 2015 and is published including a review report by the external auditor. The 2015 figures are reviewed but the corresponding figures for the six months' period ended 30 June 2014 are not reviewed.

Basis of preparation
The condensed consolidated interim financial report for the six months ended 30 June 2015 does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with NIBC Holding's consolidated financial statements for the year ended 31 December 2014. NIBC Holding's Annual Report for 2014 is available on NIBC Holding's website.

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

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

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 2014, except, where applicable, for the impact of the adoption of the (amendments to / improvements in) standards and interpretations noted below.

Standards, amendments and interpretations effective in 2015
The following new or revised standards and interpretations and amendments to standards and interpretations became effective in 2015:

- *Annual improvements to IFRSs 2010-2012 and to IFRSs 2011-2013*

Annual improvements to IFRSs 2010-2012 Cycle and annual improvements to IFRSs 2011-2013 Cycle made a number of amendments to various IFRSs, which, based on NIBC Holding's current financial position, will not have a significant effect on the consolidated financial statements.

- *Amendments to IAS 19 'Defined Benefit Plans: Employee Contributions'*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendred, instead of allocating the contributions to the periods of service. On 1 January 2015 a collective defined contribution plan has been introduced. Therefore the amendment is not relevant for NIBC Holding, since none of the entities within NIBC Holding has defined benefit plans with contributions from employees or third parties as from 1 January 2015.

The implementation of these amendments had no or no material effect on the condensed consolidated interim financial report of NIBC Holding.

There are no other IFRSs that are applied for the first time for the financial year beginning 1 January 2015 that have a significant effect on the financial position or performance on NIBC Holding or the group.

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

Investment property
Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services, for administrative purposes or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. The fair value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction, without any deduction for transaction costs it may incur on sale or other disposal. The unrealised gains and losses arising from the changes in fair value of the investment property as a result of appraisals are included in other operating income in the income statement.

Investment properties are derecognised when they have been disposed of.

Most significant critical accounting estimates and judgements
NIBC Holding 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, if 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 periodically reviewed by qualified personnel independent of those who prepared them. All models are reviewed prior to use and models are calibrated to ensure that outputs reflect actual data and comparative 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 may require management to estimate inputs.

Changes in assumptions could affect the reported fair value of financial instruments.

Own liabilities designated at fair value through profit or loss
At 30 June 2015, the fair value of these liabilities was estimated to be EUR 1,082 million (31 December 2014: EUR 1,111 million). This portfolio is 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 to the extent possible on the observable issuance spread movements of new primary unsecured debt issuances by financial institutions.

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 at 30 June 2015 by EUR 6.0 million (31 December 2014: EUR 5.4 million).

Residential mortgages
NIBC Holding determines the fair value of residential mortgages (both those it holds in part of its own warehouse and those it has securitised) by using a valuation model developed by NIBC Holding. This model discounts expected cash flows (after expected prepayments) to present value using inter-bank zero-coupon rates, adjusted for a spread that principally takes into account the costs and the risks of the assets. Subsequently NIBC Holding calculates two discount spreads, one via the top-down approach (i.e. retail spread), and one via the bottom-up approach (i.e. securitisation spread). The top-down approach derives a discount spread by taking into account the mortgage rates of newly originated loans in the consumer market. The offered mortgage rate is determined by collecting mortgage rates from other professional lenders sorted by product, loan-to-value class and the fixed-rate period. The discount spread is derived by comparing the offered mortgage rate to the market interest rates taking into account various upfront costs embedded in the offered mortgage rate. Where deemed necessary, surcharges are added to reflect the illiquidity of certain sub-portfolios. Via the bottom-up approach a price is derived by determining the various components that market participants would take into account when pricing the asset. This includes funding-related costs, servicing costs and a compensation for prepayment and credit risks. Funding-related costs are derived by assuming that the acquiring party will fund the acquired portfolio by securitising the assets via a *residential mortgage backed security* (hereafter: "**RMBS**"). NIBC Holding therefore collects quotes from publicly issued RMBS solely including Dutch residential mortgages, over a certain period before the measurement date. Various transaction costs related to issuing and maintaining an RMBS are added to the observed primary rates. Where deemed necessary, surcharges are added to reflect the illiquidity of certain sub-portfolios. Any additional arbitrage opportunities that may exist (i.e. the difference between the bottom-up approach versus the top down approach) are assumed to be only applicable to the first call date of the RMBS-transaction. In the consumer market there is currently limited trading activity in mortgage portfolios. Therefore NIBC Holding currently considers the discount spread determined via the bottom-up approach as the best approximation of the fair value of its residential mortgage portfolio. The use of RMBS spreads provides the best estimate of the spread that would be inherent in a transaction at the reporting date motivated by normal business considerations. The determination of the applicable discount spread (including a spread for prepayment risk) and prepayment rates requires NIBC Holding to apply judgement. A ten basis point shift in either direction of the discount spread across the mortgage portfolio would have had either a positive or a negative impact as of 30 June 2015 of approximately EUR 18 million (31 December 2014: EUR 22 million) on the fair value of the mortgages. A 1% point shift in the assumption NIBC Holding makes about expected prepayments would have had an impact as of 30 June 2015 of approximately EUR 13.7 million (31 December 2014: EUR 16.9 million) on the fair value of the mortgages.

Valuation of corporate derivatives (credit value adjustment and debit valuation adjustment)
Credit Valuation Adjustments (**CVAs**) *& Debit Valuation Adjustments (* **DVAs***)* are incorporated into derivative valuations to reflect the risk of default of respectively the counterparty and NIBC Holding. In essence, CVA represents an estimate of the discounted expected loss on an *Over The Counter* (**OTC**) derivative during the lifetime of a contract. DVA represents the estimate of the discounted expected loss from the counterparty's perspective. Both CVA and DVAs are applied to all OTC derivative contracts, except those that benefit from a strong collateral agreement where cash collateral is regularly exchanged, mitigating credit risk. In practice, this means that CVAs & DVAs are only applied to OTC derivative contracts that generate credit risk on corporate (i.e. non-financial) counterparties.

The CVA and DVA of a derivative contract are calculated at the individual derivative contract level at inception as the sum of the present value of the expected loss estimated over the lifetime and evaluated on a monthly basis. This evaluation is performed in line with market practice, the CVA and DVA 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 from both the NIBC Holding perspective (CVA) and the counterparty perspective (DVA). 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 the amortisation of the notional amounts and the passage of time to maturity. For CVA, the 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 Holding's corporate counterparties. For the DVA, the PD and LGD estimates are also based on internal credit models due to the illiquidity of the CDS spreads available for NIBC Holding.

The CVA and DVAs are sensitive to changes in credit quality of counterparties and NIBC Holding, as well as to changes in interest rates affecting current exposure. Based on the current composition of the portfolio, the CVA, in general, decreases when interest rates rise while DVA increases while interest rates rise.

Impairments of corporate loans

NIBC Holding assesses whether there is an indication of impairment of corporate loans classified as loans and receivables at amortised cost on an individual basis on at least a quarterly basis. NIBC Holding considers a range of factors that have a bearing on the expected future cash flows that it expects to receive from the loan, including the business prospects of the borrower and its industry sector, the realisable value of collateral held, the level of subordination relative to other lenders and creditors, and the likely cost and likely duration of any recovery process. Subjective judgements are made in the process including the determination of expected future cash flows and their timing and the market value of collateral. Furthermore, NIBC Holding's judgements change with time as new information becomes available, or as recovery strategies evolve, resulting in frequent revisions to individual impairments, on a case-by-case basis. NIBC Holding regularly reviews the methodology and assumptions used for estimating both the amount and timing of future cash flows, to reduce any differences between loss estimates and actual loss experience.

If, as at 30 June 2015, for each of NIBC Holding's impaired corporate loans, the net present value of the estimated cash flows had been 5% lower or higher than estimated, NIBC Holding would have recognised an additional impairment loss or gain of EUR 11.0 million (31 December 2014: EUR 11.0 million).

Notes to the condensed consolidated interim financial report

1. Segment report

Segment information is presented in this condensed consolidated interim financial report on the same basis as used for internal management reporting within NIBC Holding. Internal management reporting within NIBC Holding 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 Managing Board is the group's chief operating decision-maker. Based on the information reported to the chief operating decision-maker for the allocation of resources and performance of the business, NIBC Holding as a whole is identified as a single operating segment.

The items displayed under 'consolidation effects' refer to the non-financial entities over which NIBC Holding has control. IFRS requires NIBC Holding 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 NIBC Holding, only NIBC Holding'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 the consolidated financial statements.

The following table presents the results of the single operating segment, being NIBC Holding, including a reconciliation to the consolidated results under IFRS for the periods ended 30 June 2015 and 30 June 2014.

	Internal management report operating segment NIBC Holding		Consolidation effects		Total (condensed consolidated interim financial report)	
	For the six months period ended 30 June					
IN EUR MILLIONS[1]	2015	2014	2015	2014	2015	2014
Net interest income	130	100	-	-	130	100
Net fee and commission income	16	12	-	-	16	12
Dividend income	-	1	-	-	-	2
Net trading income	(6)	3	-	-	(6)	3
Gains less losses from financial assets	5	16	3	-	8	17
Share in result of associates	1	-	-	-	1	-
Other operating income	-	-	11	10	11	10
OPERATING INCOME	**146**	**134**	**14**	**10**	**160**	**144**
OPERATING EXPENSES	**77**	**72**	**11**	**10**	**88**	**82**
Impairments of financial- and non-financial assets	23	28	3	-	26	28
SNS Levy (Net)	-	12	-	-	-	12
TOTAL EXPENSES	**101**	**112**	**14**	**10**	**114**	**122**
PROFIT BEFORE TAX	**46**	**22**	**-**	**-**	**46**	**22**
Tax	12	7	-	-	13	7
PROFIT AFTER TAX	**33**	**15**	**-**	**-**	**33**	**15**
Result attributable to non-controlling interests	-	-	-	-	-	-
NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS	**33**	**15**	**-**	**-**	**33**	**15**
Average allocated economic capital	1,078	1,221	-	-	1,078	1,221
Average unallocated capital	403	307	-	-	403	307
	30-Jun-15	**31-Dec-14**	**30-Jun-15**	**31-Dec-14**	**30-Jun-15**	**31-Dec-14**
Segment assets	23,517	22,866	84	92	23,602	22,958
Segment liabilities	21,835	21,210	61	65	21,897	21,275

1 Small differences are possible in the table due to rounding.

2. Net trading income

IN EUR MILLIONS	For the period ended 30-Jun-15	For the period ended 30-Jun-14
Assets and liabilities designated at fair value through profit or loss (including related derivatives)	(8)	15
Assets and liabilities held for trading	3	1
Other net trading income	(1)	(13)
	(6)	**3**

Total net trading income in the first six months period ended 30 June 2015 and 30 June 2014 reflects realised net gains and or losses on disposals of assets and liabilities (including repurchased liabilities) and net gains and or losses 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	For the period ended 30-Jun-15	For the period ended 30-Jun-14
EQUITY INVESTMENTS		
GAINS LESS LOSSES FROM EQUITY INVESTMENTS (AVAILABLE-FOR-SALE)		
Net gain/(losses) on disposal	4	1
Impairment losses equity investments	(5)	(2)
GAINS LESS LOSSES FROM EQUITY INVESTMENTS (FAIR VALUE THROUGH PROFIT OR LOSS)		
Gains less losses from associates	12	14
Gains less losses from other equity investments	(3)	2
	8	**15**
DEBT INVESTMENTS		
GAINS LESS LOSSES FROM DEBT INVESTMENTS (AVAILABLE-FOR-SALE)	-	2
	-	**2**
	8	**17**

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

4. Personnel expenses

The number of Full Time Equivalents (FTEs) (excluding FTEs of non-financial companies included in the consolidation) increased from 637 at 31 December 2014 to 650 at 30 June 2015.

5. Impairments of financial and non-financial assets

Financial assets

IN EUR MILLIONS	For the period ended 30-Jun-15	For the period ended 30-Jun-14
IMPAIRMENTS		
Loans classified at amortised cost	28	28
Debt investments classified at amortised cost	15	1
Debt investments classified available-for-sale	-	1
	43	**30**
REVERSALS OF IMPAIRMENTS		
Loans classified at amortised cost	(20)	(1)
Debt investments classified at amortised cost	-	(1)
Debt investments classified available-for-sale	-	-
	(20)	**(2)**
Other	-	-
	23	**28**

Non-financial assets

In the first half year of 2015, EUR 3 million (first six months of 2014: nil) impairments are recognised on intangible assets relating to customer relationships of NIBC Holding's non-financial companies, part of operating segment NIBC Holding. The impairment is recognised due to change in market conditions- and related client focus.

6. SNS Levy (Net)

IN EUR MILLIONS	For the period ended 30-Jun-15	For the period ended 30-Jun-14
SNS Levy (Net)	-	12
	-	**12**

In 2014 a one-off levy related to the SNS Reaal nationalisation to a total amount of EUR 18 million (not tax deductible) was paid to the State of the Netherlands. An amount of EUR 12 million is included in the income statement over the period ended 30 June 2014.

7. Tax

IN EUR MILLIONS	For the period ended 30-Jun-15	For the period ended 30-Jun-14
TAX DIFFERENCES CAN BE ANALYSED AS FOLLOWS:		
PROFIT BEFORE TAX	**46**	**22**
Tax calculated at the nominal Dutch corporate tax rate of 25.0% (2014: 25.0%)	12	6
Impact of income not subject to tax	1	1
	13	**7**

The impact of income not subject to tax mainly relates to income from equity investments and investments in associates, in which NIBC Holding 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.

The effective tax rate for the period ended 30 June 2015 was 27.4% (for the period ended 30 June 2014: 30.4%).

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

Loans

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Loans	7,011	6,994
	7,011	**6,994**
THE LEGAL MATURITY ANALYSIS OF LOANS IS AS FOLLOWS:		
Three months or less	170	139
Longer than three months but not longer than one year	725	820
Longer than one year but not longer than five years	3,814	3,666
Longer than five years	2,302	2,369
	7,011	**6,994**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN IMPAIRMENT LOSSES ON LOANS MAY BE SUMMARISED AS FOLLOWS		
BALANCE AT 1 JANUARY	**170**	**109**
Additional allowances	28	99
Write-offs / disposals	(46)	(22)
Amounts released	(20)	(8)
Unwinding of discount adjustment	(3)	(10)
Other (including exchange rate differences)	6	2
BALANCE AT 30 JUNE / 31 DECEMBER	**135**	**170**

9. Financial assets - Loans and receivables (amortised cost)
Residential mortgages own book

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Loans	1,558	1,078
	1,558	**1,078**
THE LEGAL MATURITY ANALYSIS OF RESIDENTIAL MORTGAGES OWN BOOK IS AS FOLLOWS:		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	1	1
Longer than five years	1,557	1,077
	1,558	**1,078**

The maximum credit exposure including committed but undrawn facilities was EUR 1,968 million at 30 June 2015 (31 December 2014: EUR 1,403 million).

The total impairments on residential mortgages own book at amortised cost in 2015 and 2014 amount to nil.

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Debt investments	318	359
	318	**359**
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS IS AS FOLLOWS:		
Three months or less	-	1
Longer than three months but not longer than one year	1	-
Longer than one year but not longer than five years	168	51
Longer than five years	149	307
	318	**359**

In the first six monts of 2015 there was an additional impairment on the debt investments at amortised cost of EUR 15 million (first six months of 2014: impairment of EUR 1 million and a total reversal of impairment of EUR 1 million).

11. Financial assets (available-for-sale)
Debt investments

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Debt investments	1,126	945
	1,126	**945**
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS IS AS FOLLOWS:		
Three months or less	9	17
Longer than three months but not longer than one year	127	28
Longer than one year but not longer than five years	252	319
Longer than five years	738	581
	1,126	**945**

In the first six months of 2015, there was no additional impairment on debt investments available-for-sale (first six months of 2014: impairment of EUR 1 million).

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Loans to corporate entities	332	374
	332	**374**
THE LEGAL MATURITY ANALYSIS OF LOANS IS AS FOLLOWS:		
Three months or less	1	1
Longer than three months but not longer than one year	2	2
Longer than one year but not longer than five years	65	67
Longer than five years	264	304
	332	**374**

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Residential mortgages own book	3,701	3,342
	3,701	**3,342**
THE LEGAL MATURITY ANALYSIS OF RESIDENTIAL MORTGAGES OWN BOOK IS AS FOLLOWS:		
Three months or less	12	14
Longer than three months but not longer than one year	5	6
Longer than one year but not longer than five years	85	72
Longer than five years	3,599	3,250
	3,701	**3,342**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN RESIDENTIAL MORTGAGES OWN BOOK MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,342**	**3,586**
Additions (including transfers from consolidated SPEs)	514	4
Disposals (sale and/or redemption, including replenishment of consolidated SPEs)	(163)	(327)
Changes in fair value	8	79
BALANCE AT 30 JUNE / 31 DECEMBER	**3,701**	**3,342**

The changes in fair value in the previous table reflect movements due to both interest rate changes and credit spread changes. As NIBC Holding 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 interest and similar 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 was EUR 3,702 million (31 December 2014: EUR 3,343 million).

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Securitised residential mortgages	2,903	3,638
	2,903	**3,638**
THE LEGAL MATURITY ANALYSIS OF SECURITISED RESIDENTIAL MORTGAGES IS AS FOLLOWS:		
Three months or less	1	1
Longer than three months but not longer than one year	2	2
Longer than one year but not longer than five years	29	43
Longer than five years	2,871	3,592
	2,903	**3,638**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN SECURITISED RESIDENTIAL MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,638**	**3,878**
Additions	-	-
Disposals (sale and/or redemption including transfers to own book)	(660)	(314)
Changes in fair value	(75)	74
BALANCE AT 30 JUNE / 31 DECEMBER	**2,903**	**3,638**

At 30 June 2015 the balance sheet carrying amounts for residential mortgages own book (designated at fair value through profit or loss) and securitised residential mortgages include a total revaluation adjustment of EUR 479 million debit (31 December 2014: EUR 547 million debit) related to both interest rates and credit spreads. As NIBC Holding hedges its interest rate risk from these assets, the movement due to interest rate changes is compensated by results on financial derivatives.

The portion of fair value changes in 2015 included in the balance sheet amount relating to the movement in credit spreads on residential mortgages own book (see note 13 Residential mortgages own book) and securitised residential mortgages amounted to EUR 34 million debit at 30 June 2015 (30 June 2014: EUR 13 million debit), being an increase in the carrying amount.

The carrying amount includes a EUR 184 million credit (31 December 2014: EUR 181 million credit) related to mortgage savings amounts.

The maximum credit exposure was EUR 2,903 million at 30 June 2015 (31 December 2014: EUR 3,638 million).

Securitised residential mortgages are recognised on NIBC Holding's balance sheet based on the risks and rewards NIBC Holding retains in the special purpose entities (SPEs) issuing the mortgage-backed notes. Risks and rewards can be retained by NIBC Holding by retaining issued notes, providing overcollateralisation to the SPEs or implementing reserve accounts in the SPEs. At the balance sheet date, NIBC Holding retained EUR 213 million (31 December 2014: EUR 248 million) of notes issued by the SPEs, overcollateralisation provided to the SPEs amounted to nil (31 December 2014: nil) and reserve accounts amounted to EUR 15 million (31 December 2014: EUR 18 million).

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Held for trading	32	31
Designated at fair value through profit or loss	8	6
	40	**37**

All debt investments are non-government counterparties and unlisted.

IN EUR MILLIONS	2015	2014
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS IS AS FOLLOWS:		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	1	-
Longer than five years	7	6
	8	**6**

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Bonds and notes issued	3,100	2,064
	3,100	**2,064**
THE LEGAL MATURITY ANALYSIS OF OWN DEBT SECURITIES IN ISSUE IS AS FOLLOWS:		
Three months or less	16	5
Longer than three months but not longer than one year	104	28
Longer than one year but not longer than five years	1,854	1,411
Longer than five years	1,126	620
	3,100	**2,064**

All of the issued notes according and subject to (i) the Rules governing the 2008 Dutch State's Credit Scheme and (ii) the Guarantee Certificate issued under those Rules in respect of these notes have matured in or before December 2014.

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**2,064**	**3,108**
Additions	1,013	683
Disposals	(54)	(1,774)
Other movements and exchange rate differences	77	47
BALANCE AT 30 JUNE / 31 DECEMBER	**3,100**	**2,064**

The disposals of own debt securities in issue at amortised cost for 2015 include redemptions at the scheduled maturity date to an amount of EUR 28 million (2014: EUR 1,497 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 26 million (2014: EUR 277 million). The remaining legal maturity at time of repurchase of these debt securities is between zero and four years.

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Bonds and notes issued	2,672	3,348
	2,672	**3,348**
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES AND LEASE RECEIVABLES IS AS FOLLOWS:		
Three months or less	11	18
Longer than three months but not longer than one year	19	20
Longer than one year but not longer than five years	60	24
Longer than five years	2,582	3,286
	2,672	**3,348**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES AND LEASE RECEIVABLES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,348**	**3,525**
Additions	-	176
Disposals	(676)	(353)
BALANCE AT 30 JUNE / 31 DECEMBER	**2,672**	**3,348**

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Bonds and notes issued	36	35
	36	**35**
THE LEGAL MATURITY ANALYSIS OF OWN DEBT SECURITIES IN ISSUE IS AS FOLLOWS:		
Three months or less	-	-
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	36	-
Longer than five years	-	35
	36	**35**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**35**	**35**
Additions	1	1
Disposals	-	(6)
Changes in fair value	-	5
BALANCE AT 30 JUNE / 31 DECEMBER	**36**	**35**

The disposals of own debt securities in issue designated at fair value through profit or loss in 2015 and 2014, 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 Holding 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-15	31-Dec-14
Bonds and notes issued	777	823
	777	**823**
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE STRUCTURED IS AS FOLLOWS:		
Three months or less	13	11
Longer than three months but not longer than one year	35	40
Longer than one year but not longer than five years	130	143
Longer than five years	599	629
	777	**823**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN DEBT SECURITIES IN ISSUE STRUCTURED MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**823**	**794**
Additions	16	28
Disposals	(70)	(123)
Changes in fair value	(40)	49
Exchange rate differences	48	75
BALANCE AT 30 JUNE / 31 DECEMBER	**777**	**823**

The disposals of debt securities in issue designated at fair value through profit or loss for 2015 include redemptions at the scheduled maturity date to an amount of EUR 70 million (2014: EUR 122 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 0 million (2014: EUR 1 million). The changes in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC Holding 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-15	31-Dec-14
Other subordinated loans	120	67
	120	**67**
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - AMORTISED COST IS AS FOLLOWS:		
One year or less	3	-
Longer than one year but not longer than five years	2	3
Longer than five years but not longer than ten years	49	2
Longer than ten years	66	62
	120	**67**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN SUBORDINATED LIABILITIES - AMORTISED COST MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**67**	**57**
Additions	50	5
Disposals	(1)	(1)
Exchange rate differences	4	6
BALANCE AT 30 JUNE / 31 DECEMBER	**120**	**67**

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

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Subordinated loans - additional Tier-I	167	152
Other subordinated loans	102	101
	269	**253**
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - FAIR VALUE IS AS FOLLOWS:		
One year or less	16	-
Longer than one year but not longer than five years	1	16
Longer than five years but not longer than ten years	-	-
Longer than ten years	252	237
	269	**253**

IN EUR MILLIONS	2015	2014
THE MOVEMENT IN SUBORDINATED LIABILITIES - FAIR VALUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**253**	**241**
Additions	1	1
Disposals	-	(21)
Changes in fair value	-	12
Exchange rate differences	15	20
BALANCE AT 30 JUNE / 31 DECEMBER	**269**	**253**

The fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC Holding hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated by results on financial derivatives.

22. Reclassification financial assets (application of amendments to IAS 39 and IFRS 7)

As of 1 July 2008, NIBC Holding 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 Holding 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, under the exemption rules of IAS 39.

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

Impact reclassification financial assets on comprehensive income

	30-Jun-15		31-Dec-14	
IN EUR MILLIONS	After reclassification	Before reclassification	After reclassification	Before reclassification
Net interest income	14	13	27	25
Net trading income	-	(1)	(4)	17
Impairment of financial assets	9	12	(9)	(9)

Impact reclassification financial assets

The following table presents the fair value and carrying value of the financial assets reclassified as of 1 July 2008:

	Loan portfolio reclassified from:	Debt investment reclassified from:		
IN EUR MILLIONS	Available-for-sale category to AC	Held for trading category to AC	Available-for-sale category to AC	Held for trading category to AFS
Fair value on date of reclassification	935	184	33	23
Carrying amount as per 30 June 2015	954	119	32	1
Fair value as per 30 June 2015	906	108	31	1
Range of effective interest rates at the date of reclassification[1]	5% - 9%	6% - 17%	5% - 8%	13% - 25%
Expected undiscounted recoverable cashflows EUR	1,274	314	53	52

[1] Ranges of effective interest rates were determined based on weighted average rates.

23. Capital and shares

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

Share capital

IN EUR MILLIONS	30-Jun-15	31-Dec-14
Paid-up capital	1,408	1,408
	1,408	**1,408**

	30-Jun-15	31-Dec-14
THE NUMBER OF AUTHORISED SHARES IS SPECIFIED AS FOLLOWS:		
Number of authorised shares	500,000,000	500,000,000
Number of shares issued and fully paid	147,513,369	147,513,369
Par value per A-share	1.00	1.00

24. Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

IN EUR MILLIONS	At 30 June 2015 Gross amount of recognised financial assets	Gross amount of recognised financial liabilities set off in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet Financial instruments collateral	Cash collateral received	Net amount
ASSETS						
Derivative financial assets	2,239	-	**2,239**	-	411	**1,828**
Reverse repurchase agreements	400	(400)	**-**	-	-	**-**
	2,639	**(400)**	**2,239**	**-**	**411**	**1,828**

IN EUR MILLIONS	At 30 June 2015 Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet Financial instruments collateral	Cash collateral pledged	Net amount
LIABILITIES						
Derivative financial liabilities	2,786	-	**2,786**	-	1,587	**1,199**
Repurchase agreements	496	(400)	**96**	372	-	**(276)**
	3,282	**(400)**	**2,882**	**372**	**1,587**	**923**

Related amounts which cannot be set off in the balance sheet position are amounts which are part of ISDA netting agreements. The related amounts are reported on the asset side and the liability side of the balance sheet as the ISDA agreements does not meet all requirements for offsetting in IAS 32.

IN EUR MILLIONS	At 31 December 2014 Gross amount of recognised financial assets	Gross amount of recognised financial liabilities set off in the balance sheet	Net amount of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet Financial instruments collateral	Cash collateral received	Net amount
ASSETS						
Derivative financial assets	2,851	-	**2,851**	-	268	**2,583**
Reverse repurchase agreements	400	(400)	**-**	-	-	**-**
	3,251	**(400)**	**2,851**	**-**	**268**	**2,583**

IN EUR MILLIONS	At 31 December 2014 Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set off in the balance sheet	Net amount of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet Financial instruments collateral	Cash collateral pledged	Net amount
LIABILITIES						
Derivative financial liabilities	3,217	-	**3,217**	-	1,623	**1,594**
Repurchase agreements	784	(400)	**384**	415	-	**(31)**
	4,001	**(400)**	**3,601**	**415**	**1,623**	**1,563**

25. Fair value of financial instruments

The following table provides disclosures for financial instruments that are measured at fair value in the balance sheet. The disclosure of each class of financial assets and liabilities within a three-level hierarchy, referring to the respective basis of fair value measurement is 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 (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 provides 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 observable:

Fair value of financial instruments at 30 June 2015

IN EUR MILLIONS	Level 1	Level 2	Level 3	30-Jun-15
FINANCIAL ASSETS AVAILABLE-FOR-SALE				
Debt investments	-	1,112	14	1,126
Equity investments (unlisted)	-	-	55	55
	-	**1,112**	**69**	**1,181**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Loans	-	332	-	332
Residential mortgages own book	-	-	3,701	3,701
Securitised residential mortgages	-	-	2,903	2,903
Debt investments	-	40	-	40
Equity investments (including investments in associates)	-	-	246	246
Derivative financial assets	-	2,239	-	2,239
	-	**2,611**	**6,850**	**9,461**
	-	**3,723**	**6,919**	**10,642**

IN EUR MILLIONS	Level 1	Level 2	Level 3	30-Jun-15
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Own debt securities in issue	-	36	-	**36**
Debt securities in issue structured	-	777	-	**777**
Derivative financial liabilities	-	2,786	-	**2,786**
Subordinated liabilities	-	269	-	**269**
	-	**3,868**	**-**	**3,868**

Fair value of financial instruments at 31 December 2014

IN EUR MILLIONS	Level 1	Level 2	Level 3	31-Dec-14
FINANCIAL ASSETS AVAILABLE-FOR-SALE				
Debt investments	-	930	15	**945**
Equity investments (unlisted)	-	-	53	**53**
	-	**930**	**68**	**998**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Loans	-	374	-	**374**
Residential mortgages own book	-	-	3,342	**3,342**
Securitised residential mortgages	-	-	3,638	**3,638**
Debt investments	-	37	-	**37**
Equity investments (including	-	-	276	**276**
Derivative financial assets	-	2,851	-	**2,851**
	-	**3,262**	**7,256**	**10,518**
	-	**4,192**	**7,324**	**11,516**

IN EUR MILLIONS	Level 1	Level 2	Level 3	31-Dec-14
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Own debt securities in issue	-	35	-	**35**
Debt securities in issue structured	-	823	-	**823**
Derivative financial liabilities	-	3,217	-	**3,217**
Subordinated liabilities	-	253	-	**253**
	-	**4,328**	**-**	**4,328**

Financial instruments recorded at fair value

The following is a description of the determination of fair value for financial instruments that are recorded at fair value using either quoted prices or valuation techniques. These incorporate NIBC Holding's interpretation of valuation assumptions (qualitative) that a market participant would consider when valuing the instruments.

Financial assets available-for-sale

Debt investments - level 2

For the determination of fair value at 30 June 2015, NIBC Holding used market-observable prices (including broker quotes), interest rates and credit spreads derived from market-verifiable data. NIBC Holding has determined the fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

Debt investments - level 3

For the level 3 debt investments, NIBC Holding uses valuation models that apply discounted cash flow analysis that incorporates both observable and unobservable data. Observable inputs include interest rates and collateral values; unobservable inputs include assumptions regarding credit spreads and market liquidity discounts.

Equity investments (unlisted) - level 3

The fair value of investments in equity funds is determined based on the net asset value reported by the managers of these funds. These net asset values are analysed for reasonableness, so as to ascertain that the reported net asset value has been appropriately derived using proper fair value principles as part of a robust process. To approximate the fair value at the reporting date, the net asset value is adjusted, where appropriate, for factors such as, subsequent capital contributions and fund distributions, movements in exchange rate and subsequent changes in the fair value of the underlying investee companies, where these are known to NIBC Holding.

The fair value of equity investments is established by applying capitalisation multiples to maintainable earnings. Maintainable earnings are estimated based on the normalised last twelve months' *Earnings Before Interest, Taxes, Depreciation and Amortisation* (**EBITDA**). Capitalisation multiples are derived from the enterprise value and the normalised last twelve months EBITDA at the acquisition date. On each reporting date, the capitalisation multiple of each equity investment is compared against those derived from the publicly available enterprise value and earnings information of traded peers, where these can be identified. Peer capitalisation multiples are normalised for factors such as differences in regional and economic environment, time lags in earnings information and one-off gains and losses.

The resulting enterprise value is adjusted for net debt, non-controlling interests, illiquidity and management incentive plans to arrive at the fair value of the equity.

Financial assets at fair value through profit or loss

Loans - level 2

In an active market environment, these assets are marked-to-market by applying market bid quotes observed on the secondary market. The quotes received from other banks or brokers and applied in the marked-to-market process are calibrated to actual market trades whenever possible.

In certain instances, where the market is inactive, a discounted cash flow model is used based on various assumptions including market interest rates, market credit spread levels and assumptions regarding market liquidity, where relevant. Additional pricing reference points have been obtained by collecting spreads using primary transactions that are comparable with the relevant loans.

Residential mortgages (own book and securitised) - level 3

NIBC Holding determines the fair value of residential mortgages (both those NIBC Holding holds on its own book and those NIBC has securitised) by using a valuation model developed by NIBC Holding. To calculate the fair value, NIBC Holding discounts expected cash flows (after expected prepayments) to present value using inter-bank zero-coupon rates, adjusted for a spread that principally takes into account the credit spread risk of the mortgages and uncertainty relating to prepayment estimates.

The RMBS spread is determined by collecting RMBS spreads from publicly issued Dutch RMBS-transactions. The discount spread is derived by adding related RMBS costs to the RMBS spread.

Sensitivity analysis carried out on the prepayment rates used in the valuation model of the residential mortgages showed that the variability in these rates does not have a significant impact on the total value of the Residential Mortgage portfolio.

Debt investments - level 2

For the determination of fair value at 30 June 2015, NIBC Holding applied market-observable prices (including broker quotes), interest rates and credit spreads derived from market-observable data. NIBC Holding has determined fair value in a consistent manner over time, ensuring comparability and continuity of valuations.

Equity investments (including investments in associates) - level 3
For the valuation method, reference is made to the section on equity investments (unlisted) available-for-sale.

Derivatives financial assets and liabilities (held for trading and used for hedging) - level 2
Derivative products valued using a valuation technique with market-observable inputs are mainly interest rate swaps, currency swaps, credit default swaps and foreign exchange contracts. The most frequently applied valuation techniques include swap models using present value calculations. The models incorporate various inputs including foreign exchange rates, credit spread levels and interest rate curves. Credit derivative valuation models also require input as to the estimated probability of default and recovery value.

Transfers between levels 1 and 2
In 2015 and 2014 there were no transfers between levels 1 and 2.

Transfers between levels 1 and 2 into level 3
In 2014, Residential mortgages own book and Securitised residential mortgages have been transferred from Level 2 to Level 3 following reassessment of the significance of unobservable input parameters (discount spread). The valuation continues to be based on an internally-modelled discount spread. Valuation uncertainty arises mainly from the long-dated nature of the portfolio, the lack of active secondary market in the loans and the lack of observable loan spreads. In 2015 there were no significant transfers between levels 1 and 2 into level 3.

Financial liabilities at fair value through profit or loss (including trading)

Own liabilities designated at fair value through profit or loss - level 2
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:
- Own debt securities in issue (financial liabilities at fair value through profit or loss);
- Debt securities in issue structured (financial liabilities at fair value through profit or loss); and
- Subordinated liabilities (financial liabilities at fair value through profit or loss).

Debt securities in issue structured consist of notes issued with embedded derivatives that are tailored to specific investors' needs. The return on these notes is dependent upon the level of certain underlying equity, interest rate, currency, credit, commodity or inflation-linked indices. The embedded derivative within each note issued is fully hedged on a back-to-back basis, such that effectively synthetic floating rate funding is created. Because of this economic hedge, the income statement is not sensitive to fluctuations in the price of these indices.

In the case of debt securities in issue structured and subordinated liabilities, the fair value of the notes issued and the back-to-back hedging swaps is determined using valuation models developed by a third party employing Monte Carlo simulation, lattice valuations or closed formulas, depending on the type of embedded derivative. These models use market-observable inputs (e.g. interest rates, equity prices) for valuation of these structures.

For each class of own financial liabilities at fair value through profit or loss, the expected cash flows are discounted to present value using interbank zero-coupon rates. The resulting fair value is adjusted for movements in the credit spread applicable to NIBC Holding issued funding.

Level 3 fair value measurements

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value:

IN EUR MILLIONS	At 1 January 2014	Total gains/ (losses) recorded in the income statement	Total gains/ (losses) recorded in equity	Purchases	Sales	Settle-ments	Transfers from level 1 and level 2	At 31 December 2014
AVAILABLE-FOR-SALE FINANCIAL ASSETS								
Debt investments	**18**	(2)	(1)	-	-	-	-	**15**
Equity investments	**47**	4	6	-	(4)	-	-	**53**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)								
Residential mortgages own book	**-**	-	-	-	-	-	3,342	**3,342**
Securitised residential mortgages	**-**	-	-	-	-	-	3,638	**3,638**
Equity investments (including investments in associates)	**257**	18	-	16	(15)	-	-	**276**
	322	**20**	**5**	**16**	**(19)**	**-**	**6,980**	**7,324**

IN EUR MILLIONS	At 1 January 2015	Total gains/ (losses) recorded in the income statement[1]	Total gains/ (losses) recorded in equity	Purchases	Sales	Settle- ments	Transfers from level 1 and level 2	At 30 June 2015
AVAILABLE-FOR-SALE FINANCIAL ASSETS								
Debt investments	**15**	-	-	-	(1)	-	-	**14**
Equity investments	**53**	2	6	-	(6)	-	-	**55**
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)								
Residential mortgages own book	**3,342**	8	-	-	-	351	-	**3,701**
Securitised residential mortgages	**3,638**	(76)	-	-	-	(659)	-	**2,903**
Equity investments (including investments in associates)	**276**	14	-	-	1	(45)	-	**246**
	7,324	**(52)**	**6**	**-**	**(6)**	**(353)**	**-**	**6,919**

[1] Including FX movements and dividend

Total gains or losses on level 3 financial instruments in the previous table are presented in the income statement and other comprehensive income as follows:

	For the period ended			
	30-Jun-15		31-Dec-14	
IN EUR MILLIONS	Gains less losses from financial assets recognised in the income statement	Revaluation of equity investments included in the other comprehensive income	Gains less losses from financial assets recognised in the income statement	Revaluation of equity investments included in the other comprehensive income
FINANCIAL ASSETS AVAILABLE-FOR-SALE				
Debt investments	-	-	(2)	-
Equity investments (unlisted)	(1)	6	(1)	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
Residential mortgages own book	-	-	-	-
Securitised residential mortgages	-	-	-	-
Equity investments (including investments in associates)	9	-	14	-
	8	**6**	**11**	**6**

The unrealised gains or (losses) included in the profit or loss of equity investments (unlisted) categorised on level 3 amounted to EUR 1 million.

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

IN EUR MILLIONS	30-Jun-15 Carrying amount	30-Jun-15 Effect of reasonably possible alternative assump-tions	31-Dec-14 Carrying amount	31-Dec-14 Effect of reasonably possible alternative assump-tions
FINANCIAL ASSETS AVAILABLE-FOR-SALE				
Debt investments	14	1	15	1
Equity investments (unlisted)	55	3	53	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)				
Residential mortgages own book	3,701	10	3,342	11
Securitised residential mortgages	2,903	8	3,638	11
Equity investments (including investments in associates)	246	12	276	14

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

- For the debt investments, NIBC Holding 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; and
- For equity investments, the material unobservable input parameter is the capitalisation multiple that is applied to the maintainable earnings to determine fair value. NIBC Holding adjusted the capitalisation multiples by increasing and decreasing the capitalisation multiples by 5 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.

In the first six months of 2015, there were no significant changes in the business or economic circumstances that affect the fair value of the NIBC Holding's financial assets and liabilities.

Fair value information about financial instruments not measured at fair value

The following table presents the carrying values and estimated fair values of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis.

	Fair value information at 30 June 2015				
IN EUR MILLIONS	Level 1	Level 2	Level 3	Carrying value	Fair value
FINANCIAL ASSETS AT AMORTISED COST[1]					
Loans	-	7,011	-	7,011	7,063
Residential mortgages own book	-	-	1,558	1,558	1,675
Debt investments	-	318	-	318	319
FINANCIAL LIABILITIES AT AMORTISED COST					
Own debt securities in issue	-	3,100	-	3,100	2,988
Debt securities in issue related to securitised mortgages and lease receivables	-	2,672	-	2,672	2,769
Subordinated liabilities	-	120	-	120	79

[1] The fair value reflects movements due to both interest rate changes and credit spread changes. NIBC Holding hedges its interest rate risk from these assets.

Financial instruments for which carrying value approximates fair value

Certain financial instruments that are not carried at fair value are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These financial instruments include cash and balances with central banks, due from other banks, due to other banks, deposits from customers and other financial liabilities. These financial instruments are not included in the previous table.

Non-financial assets valued at fair value

NIBC Holding's land and buildings are valued at fair value. The carrying amount of NIBC Holding's land and buildings (level 3) as of 30 June 2015 was EUR 38 million (31 December 2014: EUR 38 million). The land and buildings were last revalued as of 31 December 2014 based on external appraisal. No fair value movements were recognised in the statement of comprehensive income or the income statement in respect of NIBC Holding's land and buildings in the first half of 2015

26. Related party transactions

Transactions involving NIBC Holding's shareholders

At 30 June 2015, NIBC Holding had no net exposure (assets less liabilities) to its parent and to entities controlled by its parent entity.

Transactions related to associates

As at 30 June 2015, NIBC Holding had EUR 387 million of loans advanced to its associates (31 December 2014: EUR 140 million). In addition to at arm's length net interest income on these loans, NIBC Holding did not earn fees from these associates in 2015 and 2014.

Transactions with subsidiaries

On 30 June 2015 NIBC Bank, a wholly owned subsidiary of NIBC Holding, sold 94.9% of the share capital of Vijlma B.V. for a total consideration of EUR 9.49 in cash.

See also note 28 Business combinations.

27. Legal proceedings

There were a number of legal proceedings outstanding against NIBC Holding at 30 June 2015. No material provision has been made as at 30 June 2015, as legal advice indicates that it is unlikely that any significant loss will arise.

28. Business combinations

On 22 May 2015, NIBC Bank, a wholly owned subsidiary of NIBC Holding, purchased a call option for the consideration of EUR 9.49 on 94.9% of the equity of Vijlma B.V. (formerly named: Promontoria Holding 44 B.V.) from an unrelated third party.

Vijlma B.V. was aquired by NIBC Bank with a view to resale it to NIBC Holding, upon exercise of the call option.
On 30 June 2015 NIBC Bank exercised the option and Vijlma B.V. was sold to NIBC Holding for EUR 9.49.

Before the acquisition of Vijlma B.V., NIBC Bank co-financed Vijlma B.V. As part of the restructuring process of the debt exposure to Vijlma B.V., NIBC Holding obtained control of Vijlma B.V. to optimise its recovery.

The main activities of Vijlma B.V. via its (indirect) wholly owned subsidiaries are holding and finance activities of and for investment property companies. The main assets of Vijlma B.V. and its subsidiaries are German residential and commercial real estate properties. Vijlma B.V. controls 75 real estate portfolio companies in Germany, which own 479 properties.

Acquisition related costs of EUR 1.2 million have been charged to other operating expenses in the consolidated income statement for the period ended 30 June 2015.

The following table summarises the amounts of the assets acquired and liabilities assumed at the acquisition date:

IN EUR MILLIONS		Provisional	
	Book value before PPA	PPA adjustment	Opening balance sheet
Assets			
Investment property	416	(18)	398
Receivables	9	-	9
Cash and cash equivalents	59	-	59
Total assets	484	(18)	466
Liabilities			
Derivatives	24	-	24
Loans	406	(18)	388
Other liabilities	54	-	54
Total liabilities	484	(18)	466
Total net assets	**-**	**-**	**-**

The fair value of the acquired investment property and loans is provisional pending outcome of the final valuations for those assets.

Based on a purchase consideration of EUR 9.49, no material goodwill or badwill is expected from the transaction.

The fair value of Vijlma B.V.'s real estate portfolio is based on the external appraisal of an independent valuation expert, adjusted for observed discounts on realised property sales, leading to decrease of EUR 18 million.

The receivables are at normal operational levels for Vijlma B.V. and relate to regular operational disbursements. The fair value is essentially the same as their book value.

The receivables of EUR 9 million comprise gross contractual amounts. NIBC Holding estimates that all receivables are collectible.

The total fair value of the derivatives (consisting of different types of swaps) equals the value recognised in the opening balance.

The PPA adjustment on the loans of EUR 18 million reflects the cumulative present value of future cash flows of included loan facilities. The PPA effect on the loans is in line with the PPA effect on the investment property due to the limited recourse arrangement between the loans and the investment property.

There are no material intangible assets identified related to the acquisition of Vijlma B.V.

There are no material contingent liabilities identified related to the acquisition of Vijlma B.V.

Other

From the date of acquisition to 30 June 2015 Vijlma B.V. contributed a revenue of EUR 2 million and a net result of EUR 0.4 million to NIBC Holding's results. If this acquisition had occurred on 1 January 2015, management estimates that the result from this company included in the consolidation would have been EUR 3 million loss.

See also note 26 Related party transactions.

29. Commitments and contingent assets and liabilities

At any time, NIBC Holding 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

NIBC Holding 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 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-15	31-Dec-14
Contract amount		
Committed facilities with respect to corporate loan financing	1,289	1,537
Committed facilities with respect to residential mortgages	410	373
Capital commitments with respect to equity investments	18	18
Guarantees granted	41	95
Irrevocable letters of credit	12	3
	1,770	**2,026**

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.

30. Important events and transactions

Returning to the public senior unsecured market

In 2015 NIBC Holding, via its subsidiary NIBC Bank, returned to the public senior unsecured market with a 3.5 years EUR benchmark transaction, issuing EUR 300 million at a spread of 1.85% in January and increasing the transaction to EUR 500 million at a spread of 1.50% in March.

Third conditional pass-through covered bond benchmark issue of EUR 500 million

On 16 April 2015 NIBC Holding, via its subsidiary NIBC Bank, successfully launched its third EUR 500 million AAA rated conditional pass-through covered bond. With this 7 years transaction NIBC was able to extend its covered bond curve at a spread of 0.01%. NIBC's conditional pass-through covered bond program is Dutch law-based and backed by a pool of prime Dutch residential mortgage loans.

NIBC is actively expanding its presence and visibility in the public debt markets.

Acquisition of Vijlma B.V.

On 30 June 2015 NIBC Bank, a wholly owned subsidiary of NIBC Holding, sold 94.9% of the share capital of Vijlma B.V. for a total consideration of EUR 9.49 in cash.

See also note 28 Business combinations.

31. Subsequent events

There are no subsequent events.

The Hague, 25 August 2015

Managing Board
Paulus de Wilt, *Chief Executive Officer, Chairman*
Herman Dijkhuizen, *Chief Financial Officer*
Petra van Hoeken, *Chief Risk Officer*
Rob ten Heggeler, *Chief Client Officer*

Review Report

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Review report

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2015 of NIBC Holding N.V., The Hague, which comprises the consolidated balance sheet as at 30 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the condensed consolidated statement of cash flows and the selected explanatory notes for the six-month period then ended. Management is responsible for the preparation and presentation of this (condensed) interim financial information 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 information 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 information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Ref. e0362080

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Corresponding figures not audited or reviewed

We have not audited the interim financial statements of the previous year nor have we performed a review engagement on these statements. Consequently, the corresponding figures included in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the condensed consolidated statement of cash flows and the selected explanatory notes for the six-month period ended 30 June 2014 have not been audited or reviewed.

Amsterdam, 25 August 2015
PricewaterhouseCoopers Accountants N.V.

Original has been signed by R.E.H.M. van Adrichem RA

Disclaimer

Presentation of information

The Annual Accounts of NIBC Holding N.V. ('NIBC Holding') are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Title 9 of Book 2 of The Netherlands Civil Code. In preparing the financial information in this condensed consolidated interim financial report (NIBC Holding N.V.) for the six months period ended 30 June 2015 (the 'Financial Report'), the same accounting principles are applied as in the 2014 NIBC Holding's Annual Accounts, save for any change described in the paragraph ***'General information and Basis of preparation'*** . All 2015 figures in this Financial Report have been reviewed by the external auditor. Small differences are possible in the tables due to rounding.

Cautionary statement regarding forward-looking statements

Certain statements in this Financial Report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC Holding'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 Holding'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 Holding'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 this Financial Report, the occurrence of which could cause NIBC Holding'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 Holding does not undertake any obligation to update or revise forward-looking statements contained in this Financial Report, whether as a result of new information, future events or otherwise. Neither do NIBC Holding 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.