Condensed consolidated financial report for the year ended 31 December 2014

NIBC Bank N.V.

3 March 2015

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Condensed consolidated financial report

Consolidated income statement

for the year ended 31 December

IN EUR MILLIONS	NOTE	2014	2013
Net interest income		230	148
Net fee and commission income		27	17
Dividend income		2	2
Net trading income	2	3	57
Gains less losses from financial assets	3	15	8
Share in result of associates		1	(1)
Other operating income		22	14
OPERATING INCOME		**300**	**245**
Personnel expenses	4	89	90
Other operating expenses		60	56
Depreciation and amortisation		10	9
OPERATING INCOME		**159**	**155**
Impairments of financial assets	5	93	62
SNS Levy (Net)	6	18	-
TOTAL EXPENSES		**270**	**217**
PROFIT BEFORE TAX		**30**	**28**
Tax	7	6	6
PROFIT AFTER TAX		**24**	**22**
Result attributable to non-controlling interests		-	-
NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDER		**24**	**22**

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

Consolidated statement of comprehensive income

for the year ended 31 December

IN EUR MILLIONS	2014 Before tax	2014 Tax charge/ (credit)	2014 After tax[1]	2013 Before tax	2013 Tax charge/ (credit)	2013 After tax
PROFIT FOR THE YEAR	**30**	**6**	**24**	**28**	**6**	**22**
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS						
Remeasurements of defined-benefit plans	(10)	(2)	(8)	(3)	(1)	(2)
Revaluation of property, plant and equipment	-	-	-	-	-	-
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS						
Net result on hedging instruments	19	2	17	(30)	(8)	(22)
Revaluation of equity investments	6	1	5	3	-	3
Revaluation of debt investments	9	3	6	2	1	1
TOTAL OTHER COMPREHENSIVE INCOME	**24**	**4**	**20**	**(28)**	**(8)**	**(20)**
TOTAL COMPREHENSIVE INCOME	**54**	**10**	**44**	**-**	**(2)**	**2**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO						
Parent shareholder	54	10	44	-	(2)	2
Non-controlling interests	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	**54**	**10**	**44**	**-**	**(2)**	**2**

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

Consolidated balance sheet

at 31 December

IN EUR MILLIONS	NOTE	2014	2013
Assets			
FINANCIAL ASSETS AT AMORTISED COST			
Cash and balances with central banks		474	1,150
Due from other banks		2,286	1,796
Loans and receivables			
Loans	8	7,226	6,186
Debt investments	9	359	415
Residential mortgages own book	10	1,078	98
FINANCIAL ASSETS AT AVAILABLE-FOR-SALE			
Equity investments		53	47
Debt investments	11	945	1,300
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Loans	12	374	480
Residential mortgages own book	13	3,342	3,586
Securitised residential mortgages	14	3,638	3,878
Debt investments	15	37	81
Equity investments (including investments in associates)		276	257
Derivative financial assets		2,851	2,800
OTHER			
Investments in associates (equity method)		6	8
Intangible assets		43	47
Property, plant and equipment		42	45
Current tax		2	2
Other assets		109	142
Deferred tax		3	5
TOTAL ASSETS		**23,144**	**22,323**

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

Consolidated balance sheet

at 31 December

IN EUR MILLIONS	NOTE	2014	2013
Liabilities			
FINANCIAL LIABILITIES AT AMORTISED COST			
Due to other banks		1,159	1,017
Deposits from customers		10,182	8,639
Own debt securities in issue	16	2,064	3,108
Debt securities in issue related to securitised mortgages and lease receivables	17	3,348	3,525
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)			
Own debt securities in issue	18	35	35
Debt securities in issue structured	19	823	794
Derivative financial liabilities		3,217	2,957
OTHER FINANCIAL LIABILITIES			
Other liabilities		161	137
Current tax		-	8
Employee benefits		4	16
SUBORDINATED LIABILITIES			
Amortised cost	20	67	57
Fair value through profit or loss	21	253	241
TOTAL LIABILITIES		**21,313**	**20,534**
SHAREHOLDER'S EQUITY			
Share capital	23	80	80
Other reserves		318	286
Retained earnings		1,409	1,437
Net profit attributable to parent shareholder		24	22
Interim and final dividend paid		-	(36)
TOTAL PARENT SHAREHOLDER'S EQUITY		**1,831**	**1,789**
Non-controlling interests		-	-
TOTAL SHAREHOLDER'S EQUITY		**1,831**	**1,789**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**23,144**	**22,323**

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

Consolidated statement of changes in shareholder's equity

IN EUR MILLIONS	Attributable to parent shareholder								
	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-holder's equity
BALANCE AT 1 JANUARY 2013	**80**	**312**	**1,385**	**(7)**	**73**	**(19)**	**1,824**	**1**	**1,825**
Transfer of net profit 2012 to retained earnings	-	-	54	-	(73)	19	-	-	-
Total comprehensive income for the year ended 31 December 2013	-	(18)	-	(2)	22	-	2	-	2
Dividend paid[2]	-	-	(20)	-	-	(16)	(36)	-	(36)
Net investment hedge foreign entities	-	-	(3)	-	-		(3)	-	(3)
Other	-	1	1	-	-	-	2	(1)	1
BALANCE AT 31 DECEMBER 2013	**80**	**295**	**1,417**	**(9)**	**22**	**(16)**	**1,789**	**-**	**1,789**

IN EUR MILLIONS	Attributable to parent shareholder								
	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-holder's equity
BALANCE AT 1 JANUARY 2014	**80**	**295**	**1,417**	**(9)**	**22**	**(16)**	**1,789**	**-**	**1,789**
Transfer of net profit 2013 to retained earnings	-	-	6	-	(22)	16	-	-	-
Total comprehensive income for the year ended 31 December 2014	-	28	-	(8)	24	-	44	-	44
Net investment hedge foreign currency	-	-	(2)	-	-	-	(2)		(2)
Transfer of defined benefit plans	-	-	(17)	17	-	-	-		-
Transfer of realised depreciation revalued Property, plant & equipment	-	(5)	5	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2014	**80**	**318**	**1,409**	**-**	**24**	**-**	**1,831**	**-**	**1,831**

1 Other reserves include share premium, hedging reserve and revaluation reserves.
2 Ordinary interim and final dividend paid in 2013 to the shareholder.

Condensed consolidated statement of cash flows
for the year ended 31 December

IN EUR MILLIONS	2014	2013
Cash flows from operating activities	439	1,601
Cash flows from investing activities	(29)	18
Cash flows from financing activities	(993)	(2,150)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(583)**	**(531)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**1,603**	**2,134**
Net increase / (decrease) in cash and cash equivalents	(583)	(531)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**1,020**	**1,603**
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and balances with central banks	371	1,044
Due from other banks (maturity three months or less)	649	559
	1,020	**1,603**

General information and Basis of preparation

General information

NIBC Bank N.V., together with its subsidiaries (NIBC or the group), is incorporated and domiciled in the Netherlands, and is a 100% subsidiary of NIBC Holding N.V. (NIBC Holding). NIBC is the bank of choice for decisive financial moments. Our Corporate Banking activities offer a combination of advice, financing and co-investment in the sectors Food, Agri & Retail, Industries & Manufacturing, Infrastructure & Renewables, Commercial Real Estate, Oil & Gas Services, Shipping & Intermodal and Technology, Media & Services. Consumer Banking offers residential mortgages in the Netherlands and online retail saving deposits via NIBC Direct in the Netherlands, Belgium and Germany.

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

Basis of preparation

Statement of IFRS compliance

NIBC prepares the consolidated financial statements in accordance with the *International Financial Reporting Standards as adopted by the European Union* (**IFRS EU**). In preparing the financial information in this condensed consolidated financial report over the financial year 2014, the same accounting principles are applied as in NIBC's consolidated financial statements for the year ended 31 December 2013, except for the impact of the adoption of the standards and interpretations and amendments to standards and interpretations described below. NIBC's Annual Report for 2013 is available on NIBC's website.

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

New and amended standards (early) adopted by NIBC in 2014:

The following new or revised standards and interpretations and amendments to standards and interpretations issued by the *International Accounting Standards Board* (**IASB**) and endorsed by the EU became effective in 2014:

- IFRS 10 'Consolidated Financial Statements' - is effective as from 1 January 2014;
- IFRS 11 'Joint Arrangements' – is effective as from 1 January 2014;
- IFRS 12 'Disclosure of Interests in Other Entities' – is effective as from 1 January 2014;
- IAS 27 'Separate Financial Statements' (Revised) – is effective as from 1 January 2014;
- IAS 28 'Investments in Associates and Joint Ventures' (Revised) – is effective as from 1January 2014;
- Transition guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) – is effective as from 1 January 2014;
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) – is effective as from 1 January 2014;
- IAS 32 'Offsetting Financial Assets and Financial Liabilities' (Amendment) – is effective as from 1 January 2014; and
- IFRIC 21 'Levies' – is effective as from 1 January 2014.

In accordance with the transitional provisions of IFRS 10, NIBC reassessed its control conclusions as of 1 January 2014. The adoption of IFRS 10, the introduction of amendments to the criteria for consolidation, has no impact on the consolidation circle of NIBC, i.e. no new entities are consolidated and or previously consolidated entities are de-consolidated. As the implementation of IFRS 10 has no impact on shareholder's equity, net profit attributable to parent shareholder and other comprehensive income no additional disclosures and or tables with the impact on the consolidated balance sheet, consolidated income statement are included.

As a result of IFRS 12 expanded disclosures about NIBC's interests in subsidiaries and involvement with unconsolidated structured entities will be included in NIBC's Annual Report 2014.

There are no IFRSs that are applied for the first time for the financial year beginning 1 January 2014 that have a significant effect on the financial position or performance on NIBC or the group.

New standards, amendments and interpretations that are not yet effective and have not been early-adopted by NIBC:

The following standards, amendments and interpretations to existing standards issued by the IASB and endorsed by the EU are mandatory for accounting periods beginning on or after 1 January 2015 or later periods, but NIBC has not early-adopted them:

- Annual improvements to IFRSs '2010 – 2012 Cycle' (effective as from 1 July 2014);
- Annual improvements to IFRSs '2011 – 2013 Cycle' (effective as from 1 July 2014);
- Amendment to IAS 19' Defined Benefit Plans: Employee Contributions' (effective as from 1 July 2014).

The impact of adopting of the Annual improvements to IFRSs 2010 – 2112 Cycle, IFRSs '2011 – 2013 Cycle' and the Amendment to IAS 19 ' Defined Benefit Plans: Employee Contributions' is not expected to be material on NIBC's financial position or performance.

Agreement with the Works Council and the Pensioners Association on the new pension plan as of 1 January 2015

On 29 September 2014 NIBC reached an agreement with the Works Council and the Pensioners Association on the new pension plan which characterises as a Collective Defined Contribution (CDC) plan. As of 1 January 2015 the pension scheme changes under IFRS from a defined benefit pension plan to a defined contribution plan. The new arrangement will lead to more stable and more predictable pension charges under IFRS from 2015 onwards. The new arrangement also led to a pension settlement in the 2014 consolidated financial statements, with the pension benefit obligation previously recognised in the balance sheet being removed. As part of the pension deal it was agreed to make a number of specific one-off payments in 2014 to the pension fund to an amount of EUR 15.2 million. These payments have been made in 2014. With effect from 2015, the pension charges (approximately EUR 7.7 million) recognised in the income statement will be equal to the amount of actual pension contributions paid by NIBC.

One-Off Resolution Levy

In 2014 a one-off levy related to the SNS Reaal Nationalisation to a total amount of EUR 18 million (not tax deductible) is payable to the State of the Netherlands. An amount of EUR 18 million is included in the consolidated income statement (separate line SNS Levy (Net) is introduced in the consolidated income statement) over the period ended 31 December 2014 (no comparison figure in 2013).

The information provided as of the reclassification dates (various notes) relates only to financial assets remaining on the balance sheet as of the reporting date 31 December 2014.

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

Notes to the condensed consolidated financial report

1. Segment report

Segment information is presented in this condensed consolidated financial report on the same basis as used for internal management reporting within NIBC. Internal 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 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 Bank 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 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 NIBC, 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 the consolidated financial statements.

The following table presents the results of the single operating segment, being NIBC Bank, including a reconciliation to the consolidated results under IFRS for the periods ended 31 December 2014 and 31 December 2013.

	Internal management report operating segment NIBC Bank		Consolidation effects		Total (condensed consolidated financial report)	
IN EUR MILLIONS[1]	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Net interest income	231	148	-	-	230	148
Net fee and commission income	27	17	-	-	27	17
Dividend income	2	2	-	-	2	2
Net trading income	3	56	-	-	3	57
Gains less losses from financial assets	16	1	(1)	7	15	8
Share in result of associates	1	(1)	-	-	1	(1)
Other operating income	-	-	22	14	22	14
OPERATING INCOME	**278**	**225**	**21**	**21**	**300**	**245**
OPERATING EXPENSES	**139**	**134**	**20**	**-**	**159**	**155**
Impairments of financial assets	93	62	-	-	93	62
SNS Levy (Net)	18	-	-	-	18	-
TOTAL EXPENSES	**250**	**196**	**20**	**21**	**270**	**217**
PROFIT BEFORE TAX	**28**	**29**	**1**	**-**	**30**	**28**
Tax	4	6	1	-	6	6
PROFIT AFTER TAX	**24**	**22**	**-**	**-**	**24**	**22**
Result attributable to non-controlling interests	-	-	-	-	-	-
NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDER	**24**	**22**	**-**	**-**	**24**	**22**
Average allocated economic capital	1,221	1,180	-	-	1,221	1,180
Average unallocated capital	450	494	-	-	450	494
Segment assets	23,052	22,229	92	94	23,144	22,323
Segment liabilities	21,248	20,466	65	68	21,313	20,534

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

2. Net trading income

IN EUR MILLIONS	2014	2013
Assets and liabilities designated at fair value through profit or loss (including related derivatives)	6	53
Assets and liabilities held for trading	1	23
Other net trading income	(4)	(19)
	3	**57**

Total net trading income in 2014 and 2013 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	2014	2013
EQUITY INVESTMENTS		
GAINS LESS LOSSES FROM EQUITY INVESTMENTS (AVAILABLE-FOR-SALE)		
Net gain/(losses) on disposal	1	8
Impairment losses equity investments	(2)	(2)
GAINS LESS LOSSES FROM EQUITY INVESTMENTS (FAIR VALUE THROUGH PROFIT OR LOSS)		
Gains less losses from associates	18	2
Gains less losses from other equity investments	(4)	(2)
	13	**6**
DEBT INVESTMENTS		
GAINS LESS LOSSES FROM DEBT INVESTMENTS (AVAILABLE-FOR-SALE)	2	2
	2	**2**
	15	**8**

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

4. Personnel expenses

The number of Full Time Equivalents (FTEs) (excluding FTEs of non-financial companies included in the consolidation) increased from 596 at 31 December 2013 to 637 at 31 December 2014. The increase is mainly a result of the acquisition of NIBC Bank Deutschland AG (formerly named Gallinat-Bank AG).

5. Impairments of financial assets

IN EUR MILLIONS	2014	2013
IMPAIRMENTS		
Loans classified at amortised cost	99	68
Debt investments classified at amortised cost	1	3
Debt investments classified at available-for-sale	1	1
	101	**72**
REVERSALS OF IMPAIRMENTS		
Loans classified at amortised cost	(8)	(9)
Debt investments classified at amortised cost	(1)	(1)
Debt investments classified at available-for-sale	-	(1)
	(9)	**(11)**
Other	1	1
	93	**62**

6. SNS Levy (Net)

IN EUR MILLIONS	2014	2013
SNS Levy (Net)	18	-
	18	**-**

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. The calculation of the one-off levy was based on the volume of NIBC Direct retail savings as at 31 January 2013, compared to the total volume of retail savings in the Netherlands at that date.

7. Tax

IN EUR MILLIONS	2014	2013
TAX DIFFERENCES CAN BE ANALYSED AS FOLLOWS:		
PROFIT BEFORE TAX	**30**	**28**
Tax calculated at the nominal Dutch corporate tax rate of 25.0% (2013: 25.0%)	7	7
Impact of income not subject to tax	(5)	1
One-off SNS Levy not subject to tax	5	-
Result final tax assessment previous years	(1)	(2)
	6	**6**
Effective tax rate	**19.2%**	**23.1%**

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.

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

Loans

IN EUR MILLIONS	2014	2013
Loans	7,226	6,186
	7,226	**6,186**
THE LEGAL MATURITY ANALYSIS OF LOANS IS AS FOLLOWS:		
Three months or less	372	403
Longer than three months but not longer than one year	819	492
Longer than one year but not longer than five years	3,666	3,257
Longer than five years	2,369	2,034
	7,226	**6,186**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN IMPAIRMENTS MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**109**	**138**
Additional allowances	99	68
Write-offs / disposals	(22)	(90)
Amounts released	(8)	(9)
Unwinding of discount adjustment	(10)	(4)
Other (including exchange rate differences)	2	6
BALANCE AT 31 DECEMBER	**170**	**109**

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 presents 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 amount as per 31 December 2014	Fair value as per 31 December 2014
Loan portfolio reclassified from available-for-sale category	931	961	911

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 963 million. Ranges of effective interest rates were determined based on weighted average rates.

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

IN EUR MILLIONS	2014	2013
Debt investments	359	415
	359	**415**
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	-	-
Longer than one year but not longer than five years	51	208
Longer than five years	307	207
	359	**415**

In 2014 there was an additional impairment on the debt investments at amortised cost of EUR 1 million and a total reversal of impairment of EUR 1 million (2013: impairment of EUR 3 million and a total reversal of impairment of EUR 1 million).

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 presents 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 amount as per 31 December 2014	Fair value as per 31 December 2014
DEBT INVESTMENTS RECLASSIFIED FROM:			
Held for trading category	202	130	117
Available-for-sale category	38	36	35

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 6% to 17% with expected undiscounted recoverable cash flows of EUR 332 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 61 million. Ranges of effective interest rates were determined based on weighted average rates.

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

Residential mortgages own book

IN EUR MILLIONS	2014	2013
Loans	1,078	98
	1,078	**98**
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	-
Longer than five years	1,077	98
	1,078	**98**

The maximum credit exposure including committed but undrawn facilities was EUR 1,403 million at 31 December 2014 (31 December 2013: EUR 454 million).

No significant impairments, rounded to nil, were recorded in 2014 and 2013 on residential mortgages own book at amortised cost.

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

IN EUR MILLIONS	2014	2013
Debt investments	945	1,300
	945	**1,300**
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS IS AS FOLLOWS:		
Three months or less	17	96
Longer than three months but not longer than one year	28	175
Longer than one year but not longer than five years	319	387
Longer than five years	581	642
	945	**1,300**

In 2014, there was an additional impairment on debt investments at available-for-sale of EUR 1 million (2013: impairment of EUR 1 million and a total reversal of impairment of EUR 1 million).

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 presents 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 amount as per 31 December 2014	Fair value as per 31 December 2014
Debt investments reclassified from held for trading category	23	1	1

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 25% with expected undiscounted recoverable cash flows of EUR 52 million. Ranges of effective interest rates were determined based on weighted average rates.

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

IN EUR MILLIONS	2014	2013
Loans to corporate entities	374	480
	374	**480**
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	223
Longer than one year but not longer than five years	67	24
Longer than five years	304	232
	374	**480**

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

IN EUR MILLIONS	2014	2013
Residential mortgages own book	3,342	3,586
	3,342	**3,586**
THE LEGAL MATURITY ANALYSIS OF RESIDENTIAL MORTGAGES OWN BOOK IS AS FOLLOWS:		
Three months or less	14	26
Longer than three months but not longer than one year	6	15
Longer than one year but not longer than five years	72	58
Longer than five years	3,250	3,487
	3,342	**3,586**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN RESIDENTIAL MORTGAGES OWN BOOK MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,586**	**3,675**
Additions (including transfers from consolidated SPEs)	4	10
Disposals (sale and/or redemption, including replenishment of consolidated SPEs)	(327)	(84)
Changes in fair value	79	(15)
BALANCE AT 31 DECEMBER	**3,342**	**3,586**

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 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 3,343 million (2013: EUR 3,588 million).

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

IN EUR MILLIONS	2014	2013
Securitised residential mortgages	3,638	3,878
	3,638	**3,878**
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	3
Longer than one year but not longer than five years	43	28
Longer than five years	3,592	3,846
	3,638	**3,878**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN SECURITISED RESIDENTIAL MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,878**	**4,512**
Additions	-	529
Disposals (sale and/or redemption including transfers to own book)	(314)	(1,121)
Changes in fair value	74	(42)
BALANCE AT 31 DECEMBER	**3,638**	**3,878**

At 31 December 2014 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 547 million debit (2013: EUR 393 million debit) related to both interest rates and credit spreads. As NIBC 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 2014 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 44 million debit at 31 December 2014 (2013: EUR 83 million debit), being an increase in the carrying amount.

The carrying amount includes a EUR 181 million credit (2013: EUR 176 million credit) related to mortgage savings amounts.

The maximum credit exposure was EUR 3,638 million at 31 December 2014 (31 December 2013: EUR 3,878 million).

Securitised residential mortgages are recognised on NIBC's balance sheet based on the risks and rewards NIBC retains in the *special purpose entities* (**SPEs**) issuing the mortgage-backed notes. Risks and rewards can be retained by NIBC by retaining issued notes, providing overcollateralisation to the SPEs or implementing reserve accounts in the SPEs. At the balance sheet date, NIBC retained EUR 248 million (2013: EUR 349 million) of notes issued by the SPEs, overcollateralisation provided to the SPEs amounted to nil (2013: nil) and reserve accounts amounted to EUR 18 million (2013: EUR 19 million).

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

IN EUR MILLIONS	2014	2013
Held for trading	31	31
Designated at fair value through profit or loss	6	50
	37	**81**

All debt investments are non-government counterparties and unlisted.

IN EUR MILLIONS	2014	2013
THE LEGAL MATURITY ANALYSIS OF DEBT INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS IS AS FOLLOWS:		
Three months or less	-	22
Longer than three months but not longer than one year	-	20
Longer than one year but not longer than five years	-	1
Longer than five years	6	7
	6	**50**

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

IN EUR MILLIONS	2014	2013
Bonds and notes issued	2,064	3,108
	2,064	**3,108**
THE LEGAL MATURITY ANALYSIS OF OWN DEBT SECURITIES IN ISSUE IS AS FOLLOWS:		
Three months or less	5	1
Longer than three months but not longer than one year	28	1,730
Longer than one year but not longer than five years	1,411	766
Longer than five years	620	611
	2,064	**3,108**

As per 2 December 2014 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. The Dutch State has unconditionally and irrevocably guaranteed payment of all amounts of principal and interest due by NIBC up to nil (2013: EUR 1,303 million) of these notes. These Rules and that Guarantee Certificate are available at www.dsta.nl. In 2014, losses of EUR 1 million were realised on the repurchase of own debt securities in issue at amortised cost (2013: loss of EUR 26 million).

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,108**	**4,314**
Additions	683	1,214
Disposals	(1,774)	(2,392)
Other movements and exchange rate differences	47	(28)
BALANCE AT 31 DECEMBER	**2,064**	**3,108**

The disposals of own debt securities in issue at amortised cost for 2014 include redemptions at the scheduled maturity date to an amount of EUR 1,497 million (2013: EUR 342 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 277 million (2013: EUR 2,050 million). The remaining legal maturity at time of repurchase of these debt securities is between nil years and three years.

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

IN EUR MILLIONS	2014	2013
Bonds and notes issued	3,348	3,525
	3,348	**3,525**
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES AND LEASE RECEIVABLES IS AS FOLLOWS:		
Three months or less	18	5
Longer than three months but not longer than one year	20	-
Longer than one year but not longer than five years	24	16
Longer than five years	3,286	3,504
	3,348	**3,525**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES AND LEASE RECEIVABLES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,525**	**4,470**
Additions	176	461
Disposals	(353)	(1,406)
BALANCE AT 31 DECEMBER	**3,348**	**3,525**

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

IN EUR MILLIONS	2014	2013
Bonds and notes issued	35	35
	35	**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	-	6
Longer than one year but not longer than five years	-	-
Longer than five years	35	29
	35	**35**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**35**	**34**
Additions	1	-
Disposals	(6)	-
Changes in fair value	5	1
BALANCE AT 31 DECEMBER	**35**	**35**

The disposals of own debt securities in issue designated at fair value through profit or loss in 2014 and 2013, 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	2014	2013
Bonds and notes issued	823	794
	823	**794**
THE LEGAL MATURITY ANALYSIS OF DEBT SECURITIES IN ISSUE STRUCTURED IS AS FOLLOWS:		
Three months or less	11	4
Longer than three months but not longer than one year	40	45
Longer than one year but not longer than five years	143	217
Longer than five years	629	528
	823	**794**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN DEBT SECURITIES IN ISSUE STRUCTURED MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**794**	**1,654**
Additions	28	38
Disposals	(123)	(782)
Changes in fair value	49	(52)
Exchange rate differences	75	(64)
BALANCE AT 31 DECEMBER	**823**	**794**

The disposals of debt securities in issue designated at fair value through profit or loss for 2014 include redemptions at the scheduled maturity date to an amount of EUR 122 million (2013: EUR 772 million) and repurchases of debt securities before the legal maturity date to an amount of EUR 1 million (2013: EUR 9 million). The remaining legal maturity at time of repurchase of these debt securities is 19 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	2014	2013
Subordinated loans qualifying as Tier-I capital	-	44
Other subordinated loans	67	13
	67	**57**
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - AMORTISED COST IS AS FOLLOWS:		
One year or less	-	-
Longer than one year but not longer than five years	3	1
Longer than five years but not longer than ten years	2	-
Longer than ten years	62	56
	67	**57**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN SUBORDINATED LIABILITIES - AMORTISED COST MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**57**	**83**
Additions	5	1
Disposals	(1)	(25)
Exchange rate differences	6	(2)
BALANCE AT 31 DECEMBER	**67**	**57**

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

IN EUR MILLIONS	2014	2013
Subordinated loans qualifying as Tier-I capital	152	133
Other subordinated loans	101	108
	253	**241**
THE LEGAL MATURITY ANALYSIS OF SUBORDINATED LIABILITIES - FAIR VALUE IS AS FOLLOWS:		
One year or less	-	21
Longer than one year but not longer than five years	16	15
Longer than five years but not longer than ten years	-	-
Longer than ten years	237	205
	253	**241**

IN EUR MILLIONS	2014	2013
THE MOVEMENT IN SUBORDINATED LIABILITIES - FAIR VALUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**241**	**264**
Additions	1	1
Disposals	(21)	(3)
Changes in fair value	12	(13)
Exchange rate differences	20	(8)
BALANCE AT 31 DECEMBER	**253**	**241**

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 by 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:

		2014		2013
IN EUR MILLIONS	After reclassification	Before reclassification	After reclassification	Before reclassification
Net interest income	27	25	39	37
Net trading income	(4)	17	8	33
Impairment of financial assets	(9)	(9)	(16)	(14)

23. Capital and shares

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

Share capital

IN EUR MILLIONS	2014	2013
Paid-up capital	80	80
	80	**80**

	2014	2013
THE NUMBER OF AUTHORISED SHARES IS SPECIFIED AS FOLLOWS:		
Number of authorised shares[1]	183,597,500	183,597,500
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 class B, C, D, E1 and E3 preference share	1.00	1.00
Par value class E4 preference share	5.00	5.00

1 The authorised capital amounts to EUR 214.9 million and is divided into 110,937,500 A shares of EUR 1.28 nominal value each, 72,600,000 of different classes of preference shares with a nominal value of EUR 1.00 and 60,000 of preference shares with a nominal value of EUR 5.00 each.
2 The shares issued and fully paid consist of A-shares.

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

IN EUR MILLIONS	At 31 December 2014 Gross amount of recognised financial assets	Gross amount of recognised financial liabilites 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**	-	1,623	**1,228**
Reverse repurchase agreements	400	(400)	**-**	-	-	**-**
	3,251	**(400)**	**2,851**	**-**	**1,623**	**1,228**

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 assets	3,217	-	**3,217**	-	268	**2,949**
Repurchase agreements	784	(400)	**384**	415	-	**(31)**
	4,001	**(400)**	**3,601**	**415**	**268**	**2,918**

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 2013 Gross amount of recognised financial assets	Gross amount of recognised financial liabilites 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	2,800	-	**2,800**	-	1,199	**1,601**
Reverse repurchase agreements	415	(400)	**15**	15	-	**-**
	3,215	**(400)**	**2,815**	**15**	**1,199**	**1,601**

IN EUR MILLIONS	At 31 December 2013 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	2,957	-	**2,957**	-	267	**2,690**
Repurchase agreements	784	(400)	**384**	480	-	**(96)**
	3,741	**(400)**	**3,341**	**480**	**267**	**2,594**

25. Related party transactions

Transactions involving NIBC's shareholders

At 31 December 2014, NIBC had EUR 208 million of net exposure (assets less liabilities) to its parent and to entities controlled by its parent entity (2013: EUR 205 million). The interest received and paid on this exposure was at arm's length.

Transactions related to associates

As at 31 December 2014, NIBC had EUR 140 million of loans advanced to its associates (2013: EUR 55 million). In addition to at arm's length net interest income on these loans, NIBC did not earn fees from these associates in 2014 and 2013.

26. Legal proceedings

There were a number of legal proceedings outstanding against NIBC at 31 December 2014. No provision has been made as at 31 December 2014, as legal advice indicates that it is unlikely that any significant loss will arise.

27. Business combinations

Acquisition of Gallinat-Bank AG in 2014

On 12 April 2014, NIBC obtained control of Gallinat-Bank AG, a bank located in Hamburg, by acquiring 100% of the share capital and voting interests in the company. Gallinat-Bank AG offers financing and leasing products to German medium-sized companies. The acquisition of Gallinat-Bank AG –approved by the appropriate regulatory authorities- directly increases NIBC's presence in one of its domestic markets. In September 2014 the name of Gallinat-Bank AG has been changed to NIBC Bank Deutschland AG.

The following table summarises the consideration paid for Gallinat-Bank AG, the fair value of assets acquired, liabilities assumed at 30 April 2014:

Consideration at 30 April 2014

IN EUR MILLION	**30-Apr-2014**
Cash	15
Contingent consideration	-
Total consideration transferred	**15**
Recognised amounts of identifiable assets and liabilities assumed	
Assets	
Cash and cash equivalents	3
Loans	504
Other Assets	1
Liabilities	
Deposits from customers	403
Debt securities in issue related to securitised receivables	86
Other liabilities	4
Total identifiable net assets	**15**

EUR 50 thousand was recognised as badwill (income) on the acquistition of Gallinat-Bank AG.

Acquisition related costs of EUR 1.3 million have been charged to other operating expenses in the consolidated income statement for the period ended 31 December 2014.

The fair value of the loans is EUR 504 million. The gross contractual amount for the loans due is EUR 564 million, of which EUR 28 million is expected to be uncollectable.

There are no material intangible assets identified related to the acquisition of Gallinat-Bank AG.

There are no material contingent liabilities identified related to the acquisition of Gallinat-Bank AG.

From the date of acquisition to 31 December 2014 Gallinat-Bank AG contributed a net profit of EUR 4 million to NIBC's results. If this acquisition had occurred on 1 January 2014, management estimates that the result from this financial company included in the consolidation would have been EUR 3 million profit.

Other

At 31 December 2014, NIBC has the potential obligation to sell a minority stake (less than 10%) in Olympia Nederland Holding B.V. to a third party. No material gain or loss is expected on this disposal.

There were no other new business combinations acquired in the year ended 31 December 2014 (none in 2013).

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 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 guarentees 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	2014	2013
Contract amount		
Committed facilities with respect to corporate loan financing	1,537	910
Committed facilities with respect to residential mortgages	373	359
Capital commitments with respect to equity investments	18	38
Guarantees granted	95	99
Irrevocable letters of credit	3	6
	2,026	**1,412**

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. Important events and transactions

Acquisition of Gallinat-Bank AG
On 12 April 2014, NIBC obtained control of Gallinat-Bank AG, a bank located in Hamburg, by acquiring 100% of the share capital and voting interests in the company. Gallinat-Bank AG offers financing and leasing products to German medium-sized companies. The acquisition of Gallinat-Bank AG –approved by the appropriate regulatory authorities- directly increases NIBC's presence in one of its domestic markets. In September 2014 the name of Gallinat-Bank AG has been changed to NIBC Bank Deutschland AG. For further information see note 27 Business combinations.

Government-guaranteed bonds are fully redeemed in 2014
In 2014 the entire USD and EUR denominated Government-guaranteed bonds to the equivalent notional amount of EUR 1.303 million were bought back and or redeemed. On 2 December 2014 the last tranch of government-guaranteed bonds has been repaid to the Dutch State of the Netherlands. A loss of EUR 1 million was recognized on the bonds which have been bought back before maturity date in 2014.

Second conditional pass through covered bonds issue of EUR 500 million
On 1 April 2014 NIBC successfully launches its second EUR 500 million AAA rated conditional pass through covered bond. NIBC's conditional pass through covered bond program is Dutch law based and backed by a pool of Dutch residential mortgage loans.

One-Off Resolution Levy
In 2014 a one-off levy related to the SNS Reaal Nationalisation to a total amount of EUR 18 million (not tax deductible) is payable to the State of the Netherlands. An amount of EUR 18 million is included in the consolidated income statement (separate line SNS Levy (net) is introduced in the consolidated income statement) over the period ended 31 December 2014 (no comparison figure in 2013).

Agreement with the Works Council and the Pensioners Association on the new pension plan as of 1 January 2015
On 29 September 2014 NIBC reached an agreement with the Works Council and the Pensioners Association on the new pension plan which characterises as a Collective Defined Contribution (CDC) plan. As of 1 January 2015 the pension scheme changes under IFRS from a defined benefit pension plan to a defined contribution plan. The new arrangement will lead to more stable and more predictable pension charges under IFRS from 2015 onwards. The new arrangement also led to a pension settlement in the 2014 consolidated financial statements, with the pension benefit obligation previously recognised in the balance sheet being removed. As part of the pension deal it was agreed to make a number of specific one-off payments in 2014 to the pension fund to an amount of EUR 15.2 million. These payments have been made in 2014. With effect from 2015, the pension charges (approximately EUR 7.7 million) recognised in the income statement will be equal to the amount of actual pension contributions paid by NIBC.

30. Subsequent events

There are no subsequent events.

The Hague, 3 March 2015

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

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’) and with Title 9 of Book 2 of The Netherlands Civil Code. In preparing the financial information in this condensed consolidated financial report (NIBC Bank N.V.) for the year ended 31 December 2014 (the ‘Financial Report’), the same accounting principles are applied as in the 2013 NIBC’s Annual Accounts, save for any change described in the paragraph ‘General information and Basis of preparation’. All 2014 figures in this Financial Report have not been subject to audit or review. 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’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 this 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 this Financial Report, whether as a result of new information, future events or otherwise. Neither do 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.