

PRESS RELEASE

The Hague, 9 August 2004

MEDIA CONTACT:

Corporate Secretariat
 Telephone +31 (0)70 342 55 03
 +31 (0)70 342 59 05
 E-mail csc@nibcapital.com
 Internet www.nibcapital.com

Merchant Bank NIBCapital posts 77% rise in net profit in first half 2004 results

- Net profit rises 77% from € 44 million to € 78 million.
- Significant reduction in value adjustments to receivables
- Alliance with Bear Stearns strengthens market position NIBCapital
- Start NIBC Wealth Management further diversifies business model

Key figures (in millions of euros)

	First half 2004	First half 2003	change	Q 2-2004	Q 1-2004	change
Operating income	209	189	+11%	104	105	-1%
Operating expenses	76	64	+19%	35	41	-15%
Operating profit	99	68	+46%	53	46	+15%
Net profit	78	44	+77%	42	36	+17%
Efficiency ratio	36%	37%		34%	39%	
Average number of FTE's	660	622				
		Year-end				
Return on core economic capital	11.4%	6.4%				
Total assets	24,321	21,550				
Group equity	1,764	1,692				
Bank's Tier-1 ratio	12.4%	12.8%				

Michael Enthoven, Chairman of the Managing Board of NIB Capital N.V.: "The positive development of NIBCapital continues in the second quarter of 2004, showing better results in all business lines compared to 2003. The recently announced alliance capital market alliance with Bear Stearns and the start of NIBC Wealth Management will further diversify our business model and improve our market position. We have confidence in the development of the results in the second half of 2004, but recognise that the current method of transparent, increasingly market value based reporting will lead to higher volatility of results."

Operating profit before taxation per Strategic Business Unit (SBU)

in millions of euros	First half 2004	First half 2003	change	Q-2 2004	Q-1 2004	change
Corporate Finance	56	26	+115%	22	34	-35%
Financial Markets						
<i>Mortgage Banking</i>	22	28		12	10	
<i>Trading & Distribution</i>	40	28		23	17	
Total	62	56	+11%	35	27	+30%
Principal Investments	27	6		14	13	
Investment Management	2	0		0	2	
Corporate Center	-23	3		-8	-15	
Operating profit before taxation	124	91	+36%	63	61	+3%

The **SBU Corporate Finance** focuses on originating and executing financing, risk management and advisory services for clients. In this activity client-sector teams, together with product specialists operating in multidisciplinary teams, deliver a wide range of customised products and solutions. In the first half year a number of major financing and advisory projects were completed.

The doubling of the operating profit compared to the first half year of 2003 was partly due to sharply lower credit risk provisioning.

The **SBU Financial Markets** focuses on the financial markets and the world-wide distribution of NIBC Capital's assets. The SBU's main activities involve the mortgage banking business and risk management for clients. This concerns trading and distribution activities for corporates, financial institutions, institutional investors and family offices. The 11% rise in the operating profit is mainly the consequence of higher trading results in structured credits and an increase in derivatives and hedge fund transactions with clients. This is related to the growing co-operation with Corporate Finance and our strategic partner Harcourt Investment Consulting in Zurich.

The **SBU Principal Investments** comprises all of NIBC Capital's intermediate capital activities. These activities represent a major addition to the services for corporate finance clients, by means of innovative total solutions to complex financing problems. The substantial increase in the results in the first half year of 2004 mainly stems from results realised from exits of part of the existing portfolio.

The **SBU Investment Management** accounts for credit-related asset management activities initiated and includes the results of the majority interest in Harcourt Investment Consulting. Harcourt is a Swiss fund of hedge funds, which saw its assets under management grow in the first half year of 2004 by over 59% to EUR 1.7 billion.

The decline in the results of the **SBU Corporate Center** is mainly the consequence of the impairment in the value of a strategic participating interest and a provision for the indemnification of investors in an investment product.

Strong rise in operating income and lower addition to provisions for credit risks leads to sharp increase in net profit

NIBC Capital achieved a net profit of € 78 million in the first half year of 2004 (first half year of 2003: € 44 million). This strong increase was mainly the result of the rise in operating income with € 20 million and lower value adjustments to receivables (€ - 25 million). Operating expenses rose mainly due to an increase in the number of employees within the Investment Management and Principal Investment SBUs as well as the increase in compensation costs per FTE. These new activities make a significant contribution to the ongoing product development activities and the desired diversification of income sources.

Results and balance sheet

in millions of euros

	First half 2004	First half 2003	change	Q2- 2004	Q1-2004	change
Interest	131	121	+8%	71	60	+18%
Commission	17	20	-15%	4	13	-69%
Other revenue	61	48	+27%	29	32	-9%
Operating income	209	189	+11%	104	105	-1%
Operating expenses	-76	-64	+19%	-35	-41	-15%
Operating result	133	125	+6%	69	64	+8%
Value adjustments to receivables	-9	-34	-74%	-6	-3	+100%
Operating profit before taxation	124	91	+36%	63	61	+3%
Taxation	-25	-23		-10	-15	
Operating profit	99	68	+46%	53	46	+15%
Amortisation of goodwill	-21	-26		-11	-10	
Minority interests	-1	-4		-1	0	
Operating net profit	77	38	+102%	41	36	+14%
Non-recurring results	1	6		1	0	
Net profit	78	44	+77%	42	36	+17%

Operating profit for the first half year of 2004 amounted to € 99 million, up 46% relative to the first half year of 2003.

Total income increased 11% compared to the first half year of 2003.

Interest income rose 8% to € 131 million, mainly as a result of an increase in volume in the mortgage portfolio as well as the improved margin in the corporate loan portfolio.

Commission income decreased 15% to € 17 million primarily due to lower fees from Corporate Finance activities in the second quarter of 2004.

The strong increase in structured credits trading results and results realised from exits of part of the portfolio of intermediate capital financings contribute to the rise of other revenue with 27%. Furthermore, there was an impairment in the value of a strategic participating interest.

Operating expenses are up € 12 million to € 76 million. This increase is largely attributable to higher compensation costs as well as investments in human capital and technology.

The above developments caused the efficiency ratio (operating expenses/operating income) to improve from 37% to 36% relative to the first half year of 2003. The ratio is in line with the medium-term goal to maintain the efficiency ratio below 40%.

Value adjustments to receivables amounted to € 9 million in the first half year of 2004 versus € 34 million in the first half year of 2003.

In the second quarter 2004 the previously announced spin off of NIBC Private Equity has been finalised. On balance, this transaction resulted in a profit of € 1 million, shown under non-recurring results.

Operating return improves sharply

The operating return on core economic capital, defined as the operating profit divided by average shareholders' equity less the book value of goodwill plus the FAR (Fund for general banking risks) amounted to 11.4% versus 6.4% at year-end 2003.

NIBCcapital maintains strong capital structure

NIBCcapital's total assets increased 13% to € 24.3 billion in the first half year of 2004 compared to year-end 2003.

The corporate loan portfolio remained relatively stable. The balance sheet increase is mainly attributable to an increase in volume of the mortgage portfolio as well as the CDO portfolio with respectively € 1.2 billion and € 1 billion.

The Bank's Tier-1 ratio amounted to 12.4% at end of June 2004, testifying to the strength of the Bank's capital structure (minimum Tier-1 requirement is 4%). The rating of the Bank remained unchanged at AA-.

Prospects: Strong basis for further growth

As an independent Merchant Bank NIBCcapital sees many opportunities for further growth. Ongoing investments in human capital and technology, further product development and intensifying the co-operation with our strategic partners form the foundation of the merchant banking business model of NIBCcapital.

/ / / / / / /

Profile of NIBCcapital

NIBCcapital is an independent Merchant Bank with a global distribution network. The compact and professional organisation and AA-rating give the Bank a unique positioning. As a Merchant Bank, NIBCcapital's business model is aimed at providing corporate finance, risk management and structured investment solutions to corporates, financial institutions, institutional investors and family offices. This model offers innovative solutions to our clients' complex problems. The Bank has offices in The Hague, London, Brussels, Greenwich (US), Singapore and Curaçao as well as representations through strategic partnerships in New York, Zurich and Bergen (Norway).

For more information, please contact Hans Rijnberg, corporate secretary.

Tel. +31 (0)70 342 59 05

Web www.nibcapital.com

The accounting principles applied in this document correspond with those applied in the Annual Accounts 2003 of NIB Capital N.V.. All figures in this document are unaudited.

Enclosures:

- Consolidated Balance sheet NIB Capital N.V. as at 30 June 2004
- Consolidated Profit and Loss account first half of 2004 as well as 2nd quarter 2004 with explanation
- Cashflow statement first half of 2004
- Statement of changes in shareholder equity as at 30 June 2004