

# NIBCapital

**Press Meeting**

**14 February 2005**

# Annual Results 2004 NIB Capital N.V.

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14 February 2005

**NIB**Capital

# NIBCapital Annual Results 2004

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## **Record Net Profit growth by 136% to EUR 175 million**

- Operating income rises by 22%
- Provisions for credit risks at a low level over 2004
- Return on net asset value nearly doubles from 6.4% to 12.2%
- Total assets under managements rise by 70% to EUR 4.9 bn
- Broadening of activities leads to further diversification of revenues
- Business model NIBCapital fulfils clear client need

# Key Figures

(EUR m)	31 Dec 2004	31 Dec 2003	change	Q4 2004	Q3 2004	change
Operating income	435	358	+22%	122	104	+17%
Operating expenses	-167	-134	+25%	-56	-35	+60%
Operating profit	212	124	+71%	63	51	+22%
Net profit	175	74	+136%	58	39	+49%
Efficiency ratio	38%	37%				
Return on net asset value	12.2%	6.4%				
Total assets	24,959	21,550				
Group equity <sup>1</sup>	1,866	2,092				
Bank's Tier-I ratio <sup>1</sup>	10.7%	12.8%				
Operating profit before tax per FTE <sup>2</sup>	425	245				
Average number of FTEs	673	637	+6%			

<sup>1</sup>Group equity is stated before dividend payment, Tier-I ratio after dividend payment

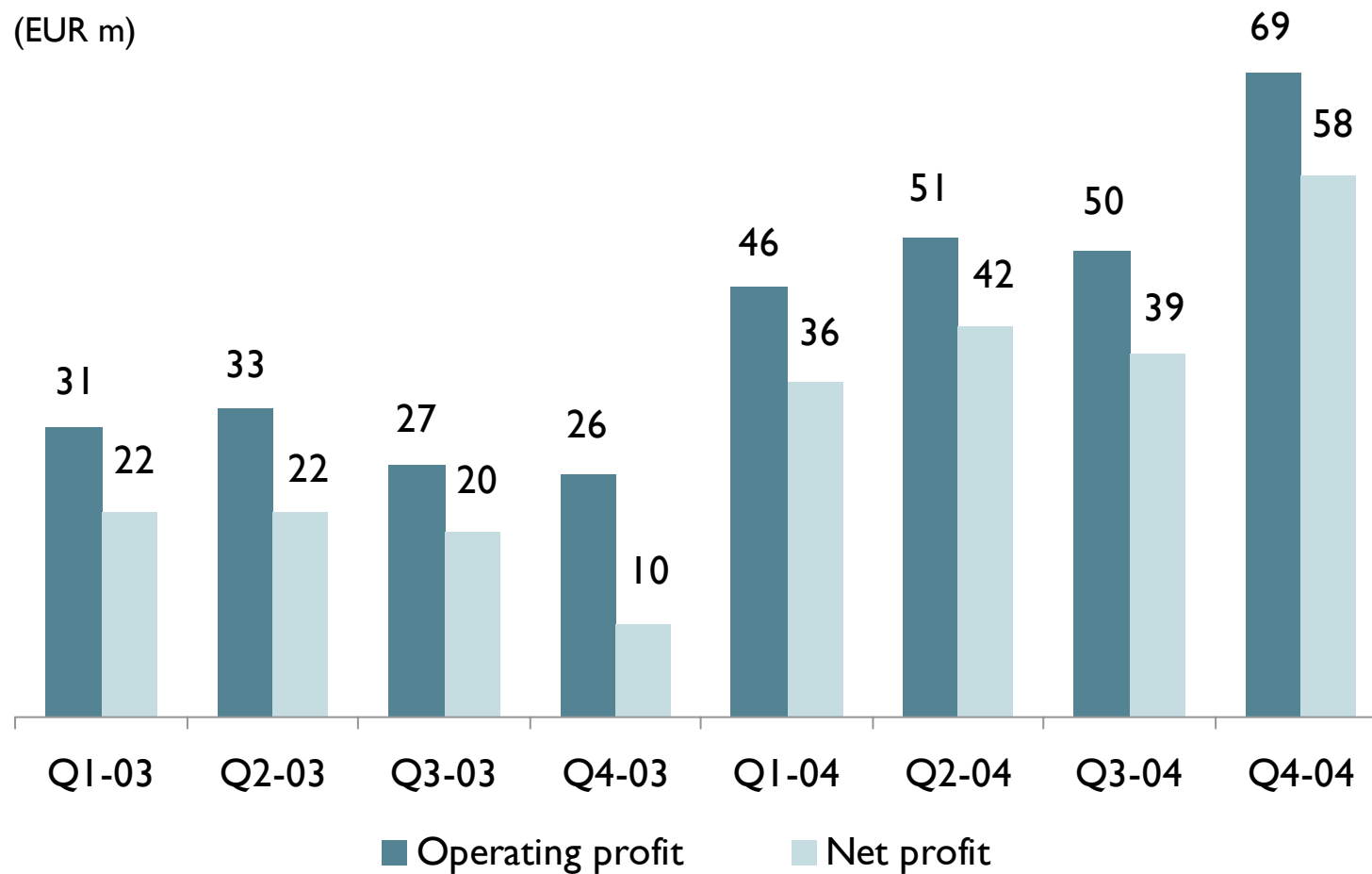
<sup>2</sup> in thousand Euro's

# Financial Results

(EUR m)	31 Dec 2004	31 Dec 2003	change	Q4 2004	Q3 2004	change
Operating income	435	358	+22%	122	104	+17%
Operating expenses	-167	-134	+25%	-56	-35	+60%
Operating result	268	224	+20%	66	69	-4%
Value adjustments to receivables	18	-68	+126%	29	-2	-
Operating profit before taxation	286	156	+83%	95	67	+42%
Taxation	-74	-32	+131%	-33	-16	+106%
<b>Operating profit</b>	<b>212</b>	<b>124</b>	<b>+71%</b>	<b>62</b>	<b>51</b>	<b>+22%</b>
Amortisation of goodwill	-42	-50		-10	-11	
Minority Interests	4	-7		6	-1	
Operating net profit	174	67	+160%	58	39	+49%
Non-recurring results	1	7		0	0	
<b>Net profit</b>	<b>175</b>	<b>74</b>	<b>+136%</b>	<b>58</b>	<b>39</b>	<b>+49%</b>

# Development Results 2003 – 2004

(EUR m)



# Income

(EUR m)	2004	2003	change
<i>Net interest</i>	225	232	-3%
<i>Interest fees</i>	44	38	+16%
Total interest	269	270	-
Fees	43	35	+23%
Result Financial Transactions	90	21	-
Other revenues	33	32	+3%
<b>Operating Income</b>	<b>435</b>	<b>358</b>	<b>+22%</b>
<b>Interest ratios</b>			
% Non-interest income	38%	24%	
% Expenses & provisions	181%	136%	

## Operating Profit Before Tax by SBU

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Corporate Finance	144	55	+162%	61	26	+135%
Financial Markets						
– Mortgage Banking	49	59	-17%	15	12	+25%
– Trading & Distribution	72	56	+29%	4	22	-82%
Total	121	115	+5%	19	34	-44%
Investment Management	5	2	+150%	3	1	+200%
Principal Investments	45	-40	-	11	8	+38%
Corporate Center	-21	19	-	6	-3	-
<b>Operating profit before tax (incl. minority interest)</b>	<b>294</b>	<b>151</b>	<b>+95%</b>	<b>100</b>	<b>66</b>	<b>+52%</b>
Minority interest before tax	-8	5	-	-5	1	-
<b>Operating profit before tax</b>	<b>286</b>	<b>156</b>	<b>+83%</b>	<b>95</b>	<b>67</b>	<b>+42%</b>



Diversification of sources of income

# SBU Corporate Finance

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	179	155	+15%	62	37	+68%
Operating expenses	-49	-40	+23%	-18	-9	+100%
Value adjustments to receivables	23	-51	+145%	27	-3	-
Allocations <sup>3</sup>	-9	-9	-	-10	1	-
<b>Operating profit before tax</b>	<b>144</b>	<b>55</b>	<b>+162%</b>	<b>61</b>	<b>26</b>	<b>+135%</b>
Efficiency ratio	41%	41%				
Return on allocated EC <sup>4</sup> before tax	22%	8%				
Average number of FTEs	252	269	-6%			

<sup>3</sup> Allocations by SBU Corporate Center consist of interest on allocated capital, tax gross-up and allocated indirect expenses

<sup>4</sup> EC means Economic Capital



**Significant increase of income in a difficult market environment**

## SBU Financial Markets

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	153	146	+5%	35	41	-15%
Operating expenses	-46	-32	+44%	-17	-9	+89%
Value adjustments to receivables	2	2	-	1	1	-
Allocations	3	3	-	-5	2	-
Minority interests	9	-4	-	5	-1	-
<b>Operating profit before tax</b>	<b>121</b>	<b>115</b>	<b>+5%</b>	<b>19</b>	<b>34</b>	<b>-44%</b>
Efficiency ratio	37%	30%				
Return on allocated EC before tax	24%	26%				
Average number of FTEs	184	171	+8%			



Income grows by rise in client driven trading results and in derivative and hedge fund transactions

## SBU Financial Markets: BU Mortgage Banking

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	47	57	-18%	16	11	+45%
Operating expenses	-6	-5	+20%	-2	-1	+100%
Value adjustments to receivables	2	2	-	1	1	-
Allocations	6	5	+20%	1	1	-
<b>Operating profit before tax</b>	<b>49</b>	<b>59</b>	<b>-17%</b>	<b>16</b>	<b>12</b>	<b>+33%</b>
Efficiency ratio	13%	8%				
Return on allocated EC before tax	35%	48%				
Average number of FTEs	29	28	+4%			

## SBU Financial Markets: BU Trading & Distribution

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	106	89	+19%	20	30	-33%
Operating expenses	-40	-27	+48%	-15	-8	+88%
Allocations	-3	-2	+50%	-6	1	-
Minority interests	9	-4	-	5	-1	-
<b>Operating profit before tax</b>	<b>72</b>	<b>56</b>	<b>+29%</b>	<b>4</b>	<b>22</b>	<b>-82%</b>
Efficiency ratio	38%	30%				
Return on allocated EC before tax	20%	17%				
Average number of FTEs	155	143	+8%			

# SBU Investment Management

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	18	8	+125%	7	5	+40%
Operating expenses	-11	-6	+83%	-3	-4	-25%
Allocations	-1	0	-	-1	0	-
Minority interests	-1	0	-	0	0	-
<b>Operating profit before tax</b>	<b>5</b>	<b>2</b>	<b>+150%</b>	<b>3</b>	<b>1</b>	<b>+200%</b>
Efficiency ratio	66%	69%				
Assets under management	4.941	2.906	+70%			
Average number of FTEs	55	35	+57%			



**A successful year: assets under management increase by 70%**

## SBU Principal Investments

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Operating income	40	-15	-	8	7	+14%
Operating expenses	-5	-1	-	-2	-1	+100%
Value adjustments to receivables	0	-23	-	1	0	-
Allocations	10	-1	-	4	2	+100%
<b>Operating profit before tax</b>	<b>45</b>	<b>-40</b>	-	<b>11</b>	<b>8</b>	<b>+38%</b>
Return on allocated EC before tax	41%	-37%				
Average number of FTEs	16	6	-			



Transformation portfolio leads to higher yielding investments

## SBU Corporate Center

(EUR m)	2004	2003	change	Q4 2004	Q3 2004	change
Total income	45	64	-30%	10	15	-33%
Operating expenses						
<i>Services and Support</i>	-37	-38	-3%	-8	-9	-11%
<i>Non-allocated expenses</i>	-19	-17	+12%	-8	-3	+167%
Total	-56	-55	+2%	-16	-12	+33%
Value adjustments to receivables	-7	4	-	0	0	-
Minority interests	0	-1	-	0	0	-
Allocations to other SBU's	-3	7	-143%	12	-6	-
<b>Operating profit before tax</b>	<b>-21</b>	<b>19</b>	-	<b>6</b>	<b>-3</b>	-
Average number of FTEs	166	156	+6%			



Results negatively impacted by one-off charges

# Our Business Model

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- Unique positioning as a private Merchant Bank with a strong capital base (AA3/AA-/A+-credit rating)
- Mainly active in Northwest Europe, with global distribution strength
- Deep industry knowledge in six client sectors:
  - Financial Institutions & Governments
  - Financial Sponsors
  - Food, Agri & Retail
  - General Industries
  - Infrastructure & Real Estate
  - Transport & Energy

# Our Business Model

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- Diversified business model with four commercial Strategic Business Units:
  - Corporate Finance
  - Financial Markets
  - Principal Investments
  - Investment Management
  
- Integrated Financial Problem Solving through the Art of Partnership with our clients:
  - Corporate Finance Advisory
  - Debt & Equity-Related Financing
  - Risk Management Solutions
  - Structured Investments

## Financial Targets 2005-2007

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- Grow sustained net profit to more than EUR 200 million with moderate volatility
- Comprehensive return on Net Asset Value 12+% through the credit cycle
- Maintain efficiency ratio below 40%, adjusted for minority interest

# Realised for our Clients in 2004



**ATHLON**

EUR 26.200.000  
EUR 770.000.000

EQUITY PLACEMENT  
SENIOR CREDIT FACILITIES  
ACQUISITION OF UNILEASE

JOINT LEAD ARRANGER  
MANDATED LEAD ARRANGER  
FINANCIAL ADVISOR

**KFN**

EUR 450.000.000  
EUR 150.000.000

CMBS TRANSACTION &  
REVOLVING SYNDICATED LOAN FACILITY

LEAD MANAGER &  
MANDATED LEAD ARRANGER

**NORTH WESTERLY  
CLO II**

EUR 413.500.000

SECURITISATION OF LEVERAGED LOANS

LEAD MANAGER &  
COLLATERAL MANAGER

**REAL  
SOFTWARE GROUP**

EUR 251.000.000

FAIRNESS OPINION

FINANCIAL ADVISOR

**NEDERLANDS  
FINANCIËEL INSTITUUT**

EUR 250.000.000

ORIGINATION CONTRACT  
RESIDENTIAL MORTGAGES

**BELLE HAVEN  
ABS CDO LTD.**

USD 1,000,000,000

SECURITISATION OF US ASSET  
BACKED SECURITIES

CO-LEAD MANAGER &  
COLLATERAL MANAGER

# Realised for our Clients in 2004



**WESTERSUYKER**

EUR 310.000.000

PUBLIC OFFER FOR WESTERSUYKER

FINANCIAL ADVISOR

**SPIEGEL**

EUR 630.000.000

ACQUISITION OF A DUTCH RESIDENTIAL MORTGAGE LENDER

**VEDIOR**

EUR 800.000.000

REVOLVING CREDIT FACILITY

MANDATED LEAD ARRANGER

**STORM 2004 I&II**

EUR 2.420.000.000

RESIDENTIAL MORTGAGE BACKED SECURITIES

LEAD MANAGER

**BALTA INDUSTRIES**

EUR 455.000.000  
EUR 120.000.000

SENIOR SECURED FACILITIES & MEZZANINE FACILITIES

**VENDEX KBB**

EUR 890.000.000

SENIOR DEBT

MANDATED LEAD ARRANGER

# Realised for our Clients in 2004



**WHITE TOWER**

GBP 206,400,000

COMMERCIAL MORTGAGE  
BACKED SECURITIES

LEAD MANAGER

**AUTOMOBILE  
ASSOCIATION**

GBP 400,000,000

SENIOR DEBT &  
MEZZANINE FACILITIES

MANDATED LEAD ARRANGER & CO-ARRANGER

**AVR**

EUR 220.000.000

SENIOR CREDIT FACILITY

MANDATED LEAD ARRANGER

**FINANCIUM**

EUR 250.000.000

ORIGINATION CONTRACT  
RESIDENTIAL MORTGAGES

**P&O NEDLLOYD**

USD 300,000,000

CORPORATE REVOLVER

MANDATED LEAD ARRANGER

**NPG SPAIN**

EUR 4.500.000

SEED FUNDING FOR  
A SERIES OF SPANISH ONSHORE  
HEDGE FUNDS

# Realised for our Clients in 2004



**HEEREMA MARINE CONTRACTORS**

USD 150,000,000

REVOLVER

MANDATED LEAD ARRANGER

**HARCOURT**

APPOINTMENT BY MSS CAPITAL AS ADVISOR TO THE FTSE HEDGE FUND SERIES

MANDATED LEAD ARRANGER

**ANI PRINTING INKS**

EUR 138.700.000

SENIOR FACILITIES

MANDATED LEAD ARRANGER

**DUTCH MOUNTAINS**

EUR 1.400.000.000  
EUR 500.000.000

ACQUISITION OF A DUTCH RESIDENTIAL MORTGAGE PORTFOLIO

MANDATED LEAD ARRANGER

**HIRSCHMANN**

EUR 65.000.000

SENIOR DEBT & MEZZANINE FACILITIES

JOINT MANDATED LEAD ARRANGER

**NIBC WEALTH MANAGEMENT**

CO-FOUNDING OF A NEW ASSET MANAGEMENT COMPANY

MANDATED LEAD ARRANGER

# NIBCapital

**Press Meeting**

**14 February 2005**