

## PRESS RELEASE

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### **Net profit of EUR 43 million on the back of strong client business**

**Net interest income rose 38% in H1 2011 compared to H1 2010**

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

*Jeroen Drost, Chief Executive Officer of NIBC*

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

**NIBC Bank profit & loss**

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

*The income statement differs from that presented in the Extract from the Condensed Consolidated Interim Financial Report (enclosure to this press release) due to the treatment of non-financial companies controlled by NIBC. This only affects the presentation of the income statement and not the bottom-line profit figures. Small differences are possible in this table due to rounding.*

**Financial results of NIBC Bank for the first half of 2011**

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

## Strategy of NIBC Bank

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

### **Client focus**

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

#### **Merchant Banking**

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

#### **Specialised Finance**

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

### **Sustainable profitability**

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

### **Strong solvency and liquidity**

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

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

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

### **NIBC Holding results**

- NIBC Holding is the parent company of NIBC Bank.
- The total consolidated net profit in H1 2011 for NIBC Holding was EUR 56 million, EUR 13 million higher than for NIBC Bank.
- The higher net profit is mainly due to realised profits on the sale of some assets from our US portfolio.
- Interim dividend set at EUR 29 million regarding H1 2011 (i.e. 52%).

|                                       | 30-Jun<br>2011 | 31-Dec<br>2010 |
|---------------------------------------|----------------|----------------|
| BIS ratio                             | 16.3%          | 15.2%          |
| Tier-1 ratio                          | 15.0%          | 14.0%          |
| Core Tier-1 ratio                     | 13.4%          | 12.4%          |
| Risk weighted assets (in EUR billion) | 11.7           | 12.4           |

## Two-pillar client strategy: Merchant Banking and Specialised Finance

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

### **Merchant Banking**

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

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

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

*Small differences are possible in this table due to rounding.*

### **Financial Results**

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

### Specialised Finance

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

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

Small differences are possible in this table due to rounding.

### Financial Results

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

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**Profile of NIBC**

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

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

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

For more information, please contact

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**Enclosures**

- Extract from Condensed Consolidated Interim Financial Report for the six months ended 30 June 2011 of NIBC Bank N.V.
- Supplementary Financial Information for the six months ended 30 June 2011 of NIBC Holding N.V.

For the full Condensed Consolidated Interim Financial Report for the six months ended 30 June 2011 of NIBC Bank N.V. please refer to [www.nibc.com](http://www.nibc.com).

**Disclaimer**

All NIBC Bank N.V. figures 2011 in this press release and the enclosures have been reviewed.



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

NIBC Bank N.V.  
23 August 2011



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# Consolidated income statement

for the six months ended 30 June 2011

NIBC Bank N.V.

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

# Consolidated statement of comprehensive income

for the six months ended 30 June 2011

NIBC Bank N.V.

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

# Consolidated balance sheet

at 30 June 2011

NIBC Bank N.V.

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

# Consolidated balance sheet

at 30 June 2011

NIBC Bank N.V.

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

# Consolidated statement of changes in shareholder's equity

NIBC Bank N.V.

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

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

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

2. Ordinary (final) dividend paid to equity holder.

## Condensed consolidated statement of cash flows

for the six months ended 30 June 2011

NIBC Bank N.V.

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

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

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



**SUPPLEMENTARY FINANCIAL INFORMATION**

for the six months ended 30 June 2011

UNAUDITED

NIBC Holding N.V.

23 August 2011



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# Consolidated income statement

for the six months ended 30 June 2011

NIBC Holding N.V.

| IN EUR MILLIONS                                       | 30-Jun-11  | 30-Jun-10  |
|---|------------|------------|
| Net interest income                                   | 85         | 61         |
| Net fee and commission income                         | 15         | 11         |
| Dividend income                                       | 1          | 5          |
| Net trading income                                    | 36         | 60         |
| Gains less losses from financial assets               | 25         | 19         |
| Share in result of associates                         | 2          | 3          |
| Other operating income                                | 40         | 24         |
| <b>OPERATING INCOME</b>                               | <b>204</b> | <b>183</b> |
| Personnel expenses                                    | 72         | 63         |
| Other operating expenses                              | 41         | 31         |
| Depreciation and amortisation                         | 11         | 7          |
| <b>OPERATING EXPENSES</b>                             | <b>124</b> | <b>101</b> |
| Impairments of financial assets                       | 11         | 40         |
| <b>TOTAL EXPENSES</b>                                 | <b>135</b> | <b>141</b> |
| <b>PROFIT BEFORE TAX</b>                              | <b>69</b>  | <b>42</b>  |
| Tax   | 13         | (1)        |
| <b>PROFIT AFTER TAX</b>                               | <b>56</b>  | <b>43</b>  |
| Result attributable to non-controlling interests      | -          | 2          |
| <b>NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS</b> | <b>56</b>  | <b>41</b>  |

# Consolidated statement of comprehensive income

for the six months ended 30 June 2011

NIBC Holding N.V.

| IN EUR MILLIONS                           | For the six months ended 30 June |                           |             |            |                           |            |
|---|----------------------------------|---------------------------|-------------|------------|---------------------------|------------|
|   | 2011                             |                           |             | 2010       |                           |            |
|   | Before tax                       | Tax<br>(charge<br>credit) | After tax   | Before tax | Tax<br>(charge<br>credit) | After tax  |
| <b>RESULT FOR THE PERIOD</b>              | <b>69</b>                        | <b>13</b>                 | <b>56</b>   | <b>42</b>  | <b>(1)</b>                | <b>43</b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>         |                                  |                           |             |            |                           |            |
| Net result on hedging instruments         | (21)                             | (2)                       | (19)        | 68         | 17                        | 51         |
| Revaluation loans and receivables         | 9                                | 2                         | 7           | 9          | 3                         | 6          |
| Revaluation equity investments            | 1                                | 1                         | -           | 5          | 1                         | 4          |
| Revaluation debt investments              | -                                | -                         | -           | (2)        | 1                         | (3)        |
| Revaluation property, plant and equipment | -                                | -                         | -           | -          | -                         | -          |
| <b>TOTAL OTHER COMPREHENSIVE INCOME</b>   | <b>(11)</b>                      | <b>1</b>                  | <b>(12)</b> | <b>80</b>  | <b>22</b>                 | <b>58</b>  |
| <b>TOTAL COMPREHENSIVE INCOME</b>         | <b>58</b>                        | <b>14</b>                 | <b>44</b>   | <b>122</b> | <b>21</b>                 | <b>101</b> |
| <b>TOTAL COMPREHENSIVE INCOME</b>         |                                  |                           |             |            |                           |            |
| <b>ATTRIBUTABLE TO</b>                    |                                  |                           |             |            |                           |            |
| Parent shareholders                       | 58                               | 14                        | 44          | 120        | 21                        | 99         |
| Non-controlling interests                 | -                                | -                         | -           | 2          | -                         | 2          |
| <b>TOTAL COMPREHENSIVE INCOME</b>         | <b>58</b>                        | <b>14</b>                 | <b>44</b>   | <b>122</b> | <b>21</b>                 | <b>101</b> |

# Consolidated balance sheet

at 30 June 2011

NIBC Holding N.V.

| IN EUR MILLIONS  | 30-Jun-11     | 31-Dec-10     |
|--|---------------|---------------|
| <b>Assets</b>  |               |               |
| <b>FINANCIAL ASSETS AT AMORTISED COST</b>  |               |               |
| Cash and balances with central banks   | 2,651         | 1,314         |
| Due from other banks   | 1,718         | 1,703         |
| Loans and receivables  |               |               |
| Loans  | 6,560         | 6,368         |
| Debt investments   | 548           | 625           |
| Securitised loans  | 614           | 614           |
| <b>FINANCIAL ASSETS AT AVAILABLE FOR SALE</b>                                    |               |               |
| Equity investments   | 64            | 72            |
| Debt investments   | 1,183         | 1,190         |
| <b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b> |               |               |
| Loans  | 1,038         | 1,074         |
| Residential mortgages own book   | 3,328         | 4,429         |
| Securitised residential mortgages  | 5,686         | 5,338         |
| Debt investments   | 368           | 635           |
| Enhanced investments   | 3             | 5             |
| Equity investments (including investments in associates)                         | 276           | 269           |
| Derivative financial assets held for trading                                     | 2,362         | 3,107         |
| Derivative financial assets used for hedging                                     | 222           | 360           |
| <b>OTHER</b>   |               |               |
| Investments in associates (equity method)  | 31            | 31            |
| Intangible assets  | 235           | 242           |
| Property, plant and equipment  | 98            | 101           |
| Investment property  | 27            | 26            |
| Deferred tax   | 74            | 82            |
| Other assets   | 134           | 105           |
| <b>TOTAL ASSETS</b>  | <b>27,220</b> | <b>27,690</b> |

# Consolidated balance sheet

at 30 June 2011

NIBC Holding N.V.

| IN EUR MILLIONS   | 30-Jun-11     | 31-Dec-10     |
|---|---------------|---------------|
| <b>Liabilities</b>  |               |               |
| <b>FINANCIAL LIABILITIES AT AMORTISED COST</b>  |               |               |
| Due to other banks  | 1,122         | 1,354         |
| Deposits from customers   | 5,792         | 4,567         |
| Own debt securities in issue  | 7,894         | 8,209         |
| Debt securities in issue related to securitised mortgages                             | 5,680         | 5,562         |
| <b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b> |               |               |
| Own debt securities in issue  | 44            | 46            |
| Debt securities in issue structured   | 1,747         | 2,120         |
| Derivative financial liabilities held for trading                                     | 2,536         | 3,319         |
| Derivative financial liabilities used for hedging                                     | 38            | 48            |
| <b>OTHER</b>  |               |               |
| Other liabilities   | 169           | 215           |
| Current tax   | 9             | 2             |
| Employee benefits   | 4             | 5             |
| <b>SUBORDINATED LIABILITIES</b>   |               |               |
| Amortised cost  | 105           | 119           |
| Fair value through profit or loss   | 306           | 369           |
| <b>TOTAL LIABILITIES</b>  | <b>25,446</b> | <b>25,935</b> |
| <b>SHAREHOLDERS' EQUITY</b>   |               |               |
| Share capital   | 1,408         | 1,408         |
| Other reserves  | 596           | 608           |
| Retained earnings   | (305)         | (338)         |
| Net result attributable to parent shareholders  | 56            | 77            |
| Interim dividend paid   | -             | (22)          |
| <b>TOTAL PARENT SHAREHOLDERS' EQUITY</b>  | <b>1,755</b>  | <b>1,733</b>  |
| Non-controlling interests   | 19            | 22            |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   | <b>1,774</b>  | <b>1,755</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                     | <b>27,220</b> | <b>27,690</b> |

# Consolidated statement of changes in shareholders' equity

NIBC Holding N.V.

| IN EUR MILLIONS  | Attributable to parent shareholder |                             |                   |             | Total        | Non-controlling interests | Total shareholder's equity |
|--|------------------------------------|-----------------------------|-------------------|-------------|--------------|---------------------------|----------------------------|
|  | Share capital                      | Other reserves <sup>1</sup> | Retained earnings | Net profit  |              |                           |                            |
| <b>BALANCE AT 1 JANUARY 2010</b>   | <b>1,407</b>                       | <b>569</b>                  | <b>(323)</b>      | <b>(22)</b> | <b>1,631</b> | <b>19</b>                 | <b>1,650</b>               |
| Transfer net result of 2009 to retained earnings                                 | -                                  | -                           | (22)              | 22          | -            | -                         | -                          |
| Total comprehensive income for the period ended 30 June 2010                     | -                                  | 58                          | -                 | 41          | <b>99</b>    | 2                         | <b>101</b>                 |
| Capital contribution of third parties in a subsidiary controlled by NIBC Holding | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| Proceeds from shares issued  | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| Treasury shares purchased by STAK  | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| Release liability NIBC choice  | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| NIBC Choice expense  | -                                  | -                           | 1                 | -           | <b>1</b>     | -                         | <b>1</b>                   |
| Dividend paid <sup>2</sup>   | -                                  | -                           | -                 | (7)         | <b>(7)</b>   | -                         | <b>(7)</b>                 |
| Net investment hedge foreign entities  | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| Other movements  | -                                  | -                           | -                 | -           | -            | -                         | -                          |
| <b>BALANCE AT 30 JUNE 2010</b>   | <b>1,407</b>                       | <b>627</b>                  | <b>(344)</b>      | <b>34</b>   | <b>1,724</b> | <b>21</b>                 | <b>1,745</b>               |

| IN EUR MILLIONS  | Attributable to parent shareholder |                             |                   |            | Total        | Non-controlling interests | Total shareholder's equity |
|--|------------------------------------|-----------------------------|-------------------|------------|--------------|---------------------------|----------------------------|
|  | Share capital                      | Other reserves <sup>1</sup> | Retained earnings | Net profit |              |                           |                            |
| <b>BALANCE AT 1 JANUARY 2011</b>   | <b>1,408</b>                       | <b>608</b>                  | <b>(338)</b>      | <b>55</b>  | <b>1,733</b> | <b>22</b>                 | <b>1,755</b>               |
| Transfer net result of 2010 to retained earnings                                 | -                                  | -                           | 55                | (55)       | -            | -                         | -                          |
| Total comprehensive income for the period ended 30 June 2011                     | -                                  | (12)                        | -                 | 56         | <b>44</b>    | -                         | <b>44</b>                  |
| Capital contribution of third parties in a subsidiary controlled by NIBC Holding | -                                  | -                           | -                 | -          | -            | (3)                       | <b>(3)</b>                 |
| Proceeds from shares issued  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| Treasury shares purchased by STAK  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| Release liability NIBC choice  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| NIBC Choice expense  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| Dividend paid <sup>2</sup>   | -                                  | -                           | (22)              | -          | <b>(22)</b>  | -                         | <b>(22)</b>                |
| Net investment hedge foreign entities  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| Other movements  | -                                  | -                           | -                 | -          | -            | -                         | -                          |
| <b>BALANCE AT 30 JUNE 2011</b>   | <b>1,408</b>                       | <b>596</b>                  | <b>(305)</b>      | <b>56</b>  | <b>1,755</b> | <b>19</b>                 | <b>1,774</b>               |

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

2. Ordinary (final) dividend paid to equity holders.

## **DISCLAIMER**

### **Presentation of information**

The Annual Accounts of NIBC Bank N.V. and NIBC Holding N.V. (together "NIBC") are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this Condensed Consolidated Interim Financial Report (NIBC Bank N.V.) and Supplementary Financial Information (NIBC Holding N.V.) for the six months ended 30 June 2011 (the "Interim Financial Report"), the same accounting principles are applied as in the 2010 NIBC's Annual Accounts. The 2011 figures related to NIBC Bank N.V. in this Interim Financial Report are reviewed. The supplementary information of NIBC Holding N.V. is unaudited. Small differences are possible in the tables due to rounding.

### **Cautionary statement regarding forward-looking statements**

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