

# PRESS RELEASE

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## 2006 net profit of NIBC increases to EUR 288 million

- Profit after tax from continuing operations 8% higher than 2005
- Net profit attributable to parent shareholders 82% higher than 2005
- Return on net asset value increased to 19%, while the Tier-1 ratio improved to 12.3%
- Strong growth in investment management franchise boosted third party assets under management to EUR 8.6 billion
- Intention to prepare for a listing on Euronext Amsterdam, to occur in the coming months

*Michael Enthoven, Chairman of the Managing Board of NIBC*

"The year 2006 was a year of transition in which we focused on strengthening our business model. We reduced our credit and market risk, shifted our business mix to more liquid assets, divested non-core businesses and further improved our systems and operations. Against the backdrop of this transition NIBC had an excellent year, posting a record net profit of EUR 288 million. We believe that the 2006 results provide a solid base and good starting point to realise our long held ambition to list on Euronext Amsterdam.

The 2006 landmark transactions, such as Deli Universal and LEO-MESDAG, show the strength of our integrated business model. We will continue to focus on originating liquid assets that we can easily distribute if and when we deem attractive. This flexibility enables us to optimise our revenue stream and return on net asset value. We believe we are now in a good position to take advantage of positive market conditions and further grow our business. We look forward to the challenges and opportunities of 2007."

## NIBC key figures

In EUR millions	Year 2006	Year 2005	+/-	Q4 2006	Q3 2006	+/-	Q4 2005	+/-
Profit after tax from continuing operations	253	234	8%	50	49	2%	19	163%
Net profit attributable to parent shareholders	288	158	82%	50	49	2%	22	127%
Efficiency ratio	41%	40%						
Return on net asset value (after tax)	19%	17%						
Earnings per share	2.49	2.30						

The financial information in this press release is not a full set of financial statements, and is unaudited. The financial statements have not yet been adopted nor filed. All figures relate to NIBC Holding N.V. unless otherwise stated. Until 30 June 2006, the reporting company was NIBC N.V. The 2005 figures have been corrected. See the appendix for additional information.

### Intention to prepare for a listing on Euronext Amsterdam

A listing of NIBC shares on Euronext Amsterdam is a long held ambition of NIBC. A listing will provide NIBC with strategic and financial flexibility to fund growth, both organically and through potential acquisitions, via permanent access to the capital markets. NIBC believes a listing will enhance its profile, increasing opportunities to attract and retain talented employees, improve liquidity for current shareholders and enhance organisational transparency and market discipline. The joint bookrunners will be ABN AMRO Rothschild, Goldman Sachs, Credit Suisse and JPMorgan. Fox-Pitt, Kelton and NIBC Bank N.V. will act as Co-Lead Managers.

### Recent developments – looking back at 2006

The year 2006 was a year of transition. The focus was on strengthening the business model by reducing credit and market risk, shifting the business mix to more liquid assets, divesting non-core businesses and strengthening systems and operations. Initiatives for growth included:

- Expansion of German business**  
 NIBC has been growing its German business since opening its Frankfurt office in September 2005. As per 31 December 2006, the German business had 19 locally staffed full time equivalent employees (FTE), active in the product areas of leveraged finance, infrastructure, residential and commercial real estate finance and private equity and mezzanine finance.
- Building a financial institutions franchise**  
 In 2006, NIBC established a financial institutions client coverage team which cooperates with specialised product teams and pursues the opportunities presented by the expected significant consolidation and divestiture activity in the financial institutions segment in Western Europe. NIBC believes that its relationship with J.C. Flowers & Co. and its affiliated entities have strengthened our business opportunities in this segment.
- Increasing securitisation and fundification activities**  
 In 2006, NIBC increased its securitisation and fundification activities. To date, NIBC has securitised assets in eight different asset classes: residential and commercial mortgages, leveraged loans, shipping loans, infrastructure loans, securitised debt products, lease receivables and corporate credits.
- Strengthening investment management activities**  
 NIBC strengthened investment management activities in both credit fixed income and private equity. Third party assets under management have grown by 100% in 2006 to EUR 8.6 billion as per year end. NIBC is also expanding

its investment management activities by developing funds for both credit fixed income and private equity and mezzanine investments.

- *Growing commercial real estate finance activities*

The MESDAG (Berlin) and LEO-MESDAG commercial mortgage backed securities (CMBS) transactions are proof of NIBC's growth in the commercial real estate finance activities.

### Financial results for the year 2006

Net profit attributable to parent shareholders for the year 2006 amounted to EUR 288 million, 82% above the comparable for the year 2005 (EUR 158 million). The profit after tax from continuing operations amounted to EUR 253 million, which is 8% above the comparable figure for 2005.

NIBC was able to increase its level of operating income by 12%, mainly as a result of an increase in net fee and commission income and gains less losses from equity investments. The decline in net interest income is mainly due to lower average net margins on the credit portfolio held by Corporate Finance and lower net interest income in Financial Markets.

### NIBC profit and loss

In EUR millions	Year 2006	Year 2005	+/-	Q4 2006	Q3 2006	+/-	Q4 2005	+/-
Net interest income	251	275	-9%	67	50	34%	59	14%
Net fee and commission income	61	43	42%	15	17	-12%	8	88%
Dividend income	35	27	30%	14	9	56%	8	75%
Net trading income	92	87	6%	-2	28	-107%	-9	-78%
Gains less losses from equity investments	45	21		18	5		3	
Share in profit of associates and joint ventures	16	4		1	0		2	
Other operating income	16	3		12	0		0	
<b>Operating income</b>	<b>516</b>	<b>460</b>	<b>12%</b>	<b>125</b>	<b>109</b>	<b>15%</b>	<b>71</b>	<b>76%</b>
Personnel expenses	-130	-122	7%	-39	-31	26%	-46	-15%
Other operating expenses	-68	-50	36%	-27	-14	93%	-18	50%
Depreciation	-11	-11	0%	-2	-3	-33%	-3	-33%
<b>Operating expenses</b>	<b>-209</b>	<b>-183</b>	<b>14%</b>	<b>-68</b>	<b>-48</b>	<b>42%</b>	<b>-67</b>	<b>1%</b>
Impairment of goodwill	0	-1		0	0		-1	
Impairment of financial assets	14	39	-64%	0	-1		21	
<b>Total expenses</b>	<b>-195</b>	<b>-145</b>	<b>34%</b>	<b>-68</b>	<b>-49</b>	<b>39%</b>	<b>-47</b>	<b>45%</b>
<b>Operating profit</b>	<b>321</b>	<b>315</b>	<b>2%</b>	<b>57</b>	<b>60</b>	<b>-5%</b>	<b>24</b>	<b>138%</b>
Result on disposal of subsidiaries	1	0		1	0		0	
<b>Profit before tax from continuing operations</b>	<b>322</b>	<b>315</b>	<b>2%</b>	<b>58</b>	<b>60</b>	<b>-3%</b>	<b>24</b>	<b>142%</b>
Tax	-69	-81	-15%	-8	-11	-27%	-5	60%
<b>Profit after tax from continuing operations</b>	<b>253</b>	<b>234</b>	<b>8%</b>	<b>50</b>	<b>49</b>	<b>2%</b>	<b>19</b>	<b>163%</b>
Result from discontinued operations	35	-107		0	0		4	
<b>Net profit</b>	<b>288</b>	<b>127</b>	<b>127%</b>	<b>50</b>	<b>49</b>	<b>2%</b>	<b>23</b>	<b>117%</b>
Result attributable to minority interests	0	-31		0	0		1	
<b>Net profit attributable to parent shareholders</b>	<b>288</b>	<b>158</b>	<b>82%</b>	<b>50</b>	<b>49</b>	<b>2%</b>	<b>22</b>	<b>127%</b>

### Full year 2006 income and expenses compared with full year 2005

- *Operating income* was 12% above the 2005 level. The operating income shows solid growth and reflects improved quality and sustainability of earnings. The income mix is more diversified with a focus on increasing fee income.
- *Operating expenses* increased by 14% mainly impacted by investments in personnel (total number of FTEs increased by 103) and investments in operations and IT-infrastructure to support our goal of operational excellence .
- In 2006 again substantial net reversals of impairment losses were recorded, although at a lower level than in 2005.
- *Results from discontinued operations* contains the results of Harcourt and NIBC Wealth Management in 2006 and 2005, and NPD in 2005.

### NIBC other key figures

	31-Dec 2006	31-Dec 2005
Tier-1 ratio NIBC Bank N.V.	12.3%	12.1%
BIS-ratio NIBC Bank N.V.	13.7%	13.6%
Shareholders' equity (in EUR million)	2,099	1,972
Number of FTEs	715	612
Risk weighted assets (in EUR billion)	14.7	13.6

### Shareholders' equity, dividend and capital ratios

Shareholders' equity increased from EUR 1,972 million at the end of 2005 to EUR 2,099 million at the end of 2006. The increase was caused by the addition of the net profit of 2006 and an increase of the revaluation reserves - partly offset by dividend payments.

In March 2007 NIBC will call a general meeting of shareholders at which NIBC will propose to grant a final dividend distribution in cash amounting to EUR 0.60 per share in respect of the financial year 2006. The distribution will be paid from the net profit attributable to parent shareholders.

The return on net asset value for the year 2006 was 19%. This return is defined as the profit after tax from continuing operations divided by total net asset value at the beginning of the period. The Tier-1 ratio improved to 12.3% reflecting the sound capital structure. Risk weighted assets increased to EUR 14.7 billion.

### Outlook

NIBC will continue to seek to diversify income sources and grow fee income while maintaining the net interest income level substantially above operating expenses. NIBC is also committed to an efficiency ratio below 40% and a further increase in return on net asset value in the coming years. NIBC will seek to maintain the Tier-1 ratio at a solid level. As a leading merchant bank focused on the mid-cap segment in Western Europe, NIBC sees multiple opportunities for further growth.

NIBC has identified several opportunities in order to further develop its range of product/market combinations and the industry segments it serves. Specific focus will be on the expansion of activities in Germany, further development of the financial institutions franchise, expansion of commercial real estate finance and increasing alternative investment management activities. These initiatives will be underpinned by ongoing investment in human capital and IT infrastructure.

## Strategy

NIBC's strategy is based on its intermediary role in asset origination and distribution. The strategy is executed through the integrated business model that embodies the way in which NIBC operates, bringing specialised expertise and knowledge to targeted clients and segments. The model is built around four pillars:

1. Multi-product client franchises: focus on providing lending, credit fixed income and other financial products and services to mid-cap issuer clients in specific industry segments, and investment products to institutional investors on a global basis.
2. Product/market combinations: the range of products offered is based on NIBC's core skill of assessing and managing credit fixed income risk and products, focusing on certain geographic markets and industry segments for each of the products. As such, NIBC offers innovative corporate finance, risk management and investment solutions based on a combination of strategic advice and capital structuring expertise.
3. Investment management of alternative asset classes: NIBC has built a core skill of assessing and managing credit fixed income risk. Through its investment management franchise, NIBC offers its institutional investor clients the opportunity to benefit from this expertise. In addition to the CDO platforms, NIBC is expanding its investment management activities by developing separate and tradeable investment funds for both its credit fixed income and private equity and mezzanine investments.
4. Global distribution network: NIBC's global distribution network consists of various channels through which it provides its global investor client base with the specialised products originated from the issuer clients in NIBC's home markets.

## Profit after tax from continuing operations per Strategic Business Unit (SBU)

In EUR millions	Year 2006	Year 2005	+/-
Corporate Finance	77	99	-22%
Real Estate Markets	49	59	-17%
Financial Markets	68	38	79%
Principal Investments	54	43	26%
Investment Management	1	-1	
Corporate Center	4	-4	
<b>NIBC Total</b>	<b>253</b>	<b>234</b>	<b>8%</b>

## Corporate Finance

Corporate Finance provides M&A advisory, capital markets financing and risk management solutions to clients, focusing on origination, structuring and execution. It consists of seven client coverage teams and three product groups who work in tandem to offer integrated banking solutions. The specialised client coverage teams cover the following sectors: General Industries, Food & Retail, Financial Sponsors, Financial Institutions, Commercial Real Estate, Infrastructure, and Transport & Energy. The client coverage teams play a key role in developing and maintaining client relationships, as well as in identifying product opportunities bank-wide.

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	115	129	-11%
Net fee and commission income	36	29	24%
Dividend income	5	4	25%
Net trading income	6	11	-45%
Gains less losses from equity investments	1	0	
Share in profit of associates and joint ventures	3	0	
Other operating income	12	0	
<b>Operating income</b>	<b>178</b>	<b>173</b>	<b>3%</b>
Operating expenses	-75	-65	15%
Impairment of financial assets <sup>a</sup>	5	32	
Result on disposal of subsidiaries	1	0	
<b>Profit before tax from continuing operations</b>	<b>109</b>	<b>140</b>	<b>-22%</b>
Tax	-32	-41	
<b>Profit after tax from continuing operations</b>	<b>77</b>	<b>99</b>	<b>-22%</b>
Number of FTEs	248	251	
Risk weighted assets (in EUR billions at year end)	8.6		

<sup>a</sup> A positive number indicates a release of credit impairments. This note is applicable for all SBUs

- *Financial results*

In 2006 operating income grew by 3% mainly due to the increase in net fee and commission income and other operating income. The monthly average outstanding balances on the credit portfolio were slightly lower and the average net interest margin declined. Together, this resulted in a drop in net interest income of 11%. Net fee and commission income increased by 24%, as a result of completion of both a higher number of transactions as well as a higher average fee on these transactions. Operating expenses increased by 15%, partly due to higher overhead expenses incurred by Corporate Center and spread across all SBUs, related to bank wide investments in IT and operations. The year 2006 again showed net releases of impairments. The level of releases was less substantial, however, than in 2005, which was the main cause of the decline in profit after tax of 22%.

- *Focus*

Corporate Finance has evolved from focusing on traditional lending activities towards a broader product and solutions offering. Capital Markets activities have shifted from a focus on origination of less liquid assets primarily for NIBC's own balance sheet to an emphasis on larger transactions, more liquid assets and distribution to third parties via syndications, secondary loan trading, and securitisations.

- *Market trends*

NIBC generally sees favourable market trends for Corporate Finance with an increasing demand for specialised lending products and further growth in financing product areas, such as commercial real estate and infrastructure. This supports our objective of growing both interest and fee income.

- *Landmark transactions*

Corporate Finance's landmark M&A transactions in 2006 were, inter alia, the advisory role to AM in the public offer by BAM and Morgan Stanley Real Estate Funds and the advisory role to NIBC's Principal Investments SBU and NPM in the buy-out of Deli Universal. With regard to Capital Markets, the facilities for Bols, Stolt Offshore and Northampton Schools were some highlights of 2006.

## Real Estate Markets

*Real Estate Markets originates residential and commercial real estate financings with the purpose of repackaging these assets through securitisation for distribution to the capital markets. It focuses on residential real estate financing in the Netherlands and Germany, and commercial real estate financing in Western Europe. It also serves as the centre of securitisation competence within NIBC and structures securitisations and credit funds based on non-real estate assets for other SBUs.*

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	57	60	-5%
Net fee and commission income	4	0	
Net trading income	26	38	-32%
<b>Operating income</b>	<b>87</b>	<b>98</b>	<b>-11%</b>
Operating expenses	-22	-15	47%
<b>Profit before tax from continuing operations</b>	<b>65</b>	<b>83</b>	<b>-22%</b>
Tax	-16	-24	
<b>Profit after tax from continuing operations</b>	<b>49</b>	<b>59</b>	<b>-17%</b>
Number of FTEs	82	43	
Risk weighted assets (in EUR billions at year end)	1.3		

- *Financial results*

The year 2006 showed a decline in interest and trading income within Real Estate Markets. Operating income (primarily net interest income and net trading income) declined 11% compared to the year 2005, mainly due to credit spread tightening in 2005 which led to high mark-to-market revenues. The residential warehouse decreased to a more typical size in 2006 and the commercial real estate and infrastructure activities started to contribute to the result. Operating expenses increased by 47% mainly as a result of an increase in FTEs.

- *Focus*

NIBC originates residential mortgages in the Netherlands working with 15 distribution partners. It originated EUR 2.1 billion of residential mortgages in 2006. NIBC established a similar business model in the German market in January 2007. NIBC is a regular issuer of Dutch Residential Mortgage Backed Securities (RMBS) with issuance of more than EUR 13 billion since 1997.

Apart from residential mortgages, Real Estate Markets originates and executes commercial real estate financing transactions. NIBC originated EUR 0.9 billion in 2006 for the Commercial Mortgage Backed Securities (CMBS) warehouse which resulted in the MESDAG (Berlin) and LEO-MESDAG CMBS transactions.

- *Market trends*

NIBC believes the macro-economic environment remains healthy but that the higher interest rate environment is leading to lower refinancing activities in residential mortgages. The increased competition results in pricing pressure. NIBC's track record of innovation is an important success factor in this competitive environment.

CMBS volumes have increased over recent periods, which can be seen as an indicator of growing investor interest in indirect real estate asset investments such as CMBS. In addition the market has seen larger CMBS transactions particularly those structured by Anglo-Saxon CMBS conduit players. In this area, NIBC's focus on innovation is also key.

On the infrastructure side, assets are increasingly refinanced based on securitisation techniques. The trend of deregulation and privatisation brings opportunities in the infrastructure area.

- *Landmark transactions*

Real Estate Markets was involved in the structuring of securitisations, such as North Westerly CLO III, Belle Haven 2006-I, Orion 2006-I and Orion 2006-II.

## Financial Markets

*Financial Markets is responsible for the global distribution and market making of the bank's securitised debt and derivative products to the international capital markets. It also serves as NIBC's corporate treasury centre and trading hub, manages the bank's collateral and investment portfolios and provides capital for credit fixed income funds and securitisation warehouse lines managed by Investment Management.*

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	16	25	-36%
Net fee and commission income	-2	-3	-33%
Dividend income	21	16	31%
Net trading income	60	38	58%
Share in profit of associates and joint ventures	13	0	
Other operating income	-2	0	
<b>Operating income</b>	<b>106</b>	<b>76</b>	<b>39%</b>
Operating expenses	-29	-27	7%
<b>Profit before tax from continuing operations</b>	<b>77</b>	<b>49</b>	<b>57%</b>
Tax	-9	-11	
<b>Profit after tax from continuing operations</b>	<b>68</b>	<b>38</b>	<b>79%</b>
Number of FTEs	102	123	
Risk weighted assets (in EUR billions at year end)	4.3		

- *Financial results*

The increase of profit after tax by 79% to EUR 68 million reflects the significant growth in activities. The strong growth of operating income in 2006 of 39% whilst operating expenses remained relatively stable. This led to a sharp increase of profit after tax.

- *Focus*

Financial Markets is the distributor and market maker of securitised debt products to NIBC's global investor base. The securitised debt products include CMBS, RMBS and Collateralised Debt Obligations (CDO). All transactions that NIBC

issues or lead-manages are supported in the after market by secondary market trading activities. In 2006 the distribution focus was on the North Westerly CLO III, LEO-MESDAG and Belle Haven 2006-I transactions.

Financial Markets also provides interest-rate derivatives to NIBC's issuer client base. It maintains a trading book in these derivatives to facilitate clients' deal flow.

The corporate treasury activities include the funding and liquidity management of the bank as well as money market trading and market making in NIBC's bonds. Also, the investment portfolios, including structured investments and financial and sovereign investments, are managed by Financial Markets.

- *Market trends*

NIBC expects that the growth prospects in the markets for securitisations, alternative investments and credit derivatives will lead to continued growth in its deal flow and investor base. In addition, NIBC foresees opportunities as facilitator of Investment Management's expanding credit fixed income asset management activities.

### Principal Investments

*Principal Investments is responsible for the bank's private equity and mezzanine investments. It manages both direct mezzanine and private equity investments in operating companies as well as limited partnership interests in a number of funds.*

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	21	20	5%
Net fee and commission income	-1	1	
Dividend income	9	7	29%
Gains less losses from equity investments	44	23	91%
Share in profit of associates and joint ventures	0	4	
<b>Operating income</b>	<b>73</b>	<b>55</b>	<b>33%</b>
Operating expenses	-19	-11	73%
Impairment of financial assets	9	7	
<b>Profit before tax from continuing operations</b>	<b>63</b>	<b>51</b>	<b>24%</b>
Tax	-9	-8	
<b>Profit after tax from continuing operations</b>	<b>54</b>	<b>43</b>	<b>26%</b>
Number of FTEs	43	25	
Risk weighted assets (in EUR billions at year end)	0.5		
Fair value adjustment reserve (in EUR million) <sup>a</sup>	80	55	

<sup>a</sup> The fair value adjustment reserve shows the developments in the fair market value of the portfolio. These results are taken into account in shareholders' equity and not in the profit & loss account.

- *Financial results*

The increase in operating income by 33% is mainly the result of successful divestments, for a significant part related to the non-core portfolio and the higher cash yield from the new portfolio. Operating expenses mainly increased due to an increase in FTEs. For the year 2006 this resulted in an increase in profit after tax of 26%. The fair value adjustment reserve significantly increased during 2006.

- *Focus*

The current activities of Principal Investments consist of direct investments (providing growth capital for mid-cap companies and investments in real estate and infrastructure projects in Western Europe), and fund investments

(acquiring limited partnership interests in funds managed by third parties). NIBC's client relationships and segment expertise provide opportunities for proprietary deal flow. Interaction with other SBUs has led to important transactions in 2006, such as the mezzanine financing provided in the buy-out of Deli Universal.

In the last three years, Principal Investments' portfolio has successfully been transformed. The non-core portfolio was largely divested (the remaining size is EUR 39 million) which resulted in an internal rate of return (IRR) of 25%. The core portfolio grew to EUR 266 million with an IRR of 27%.

Going forward, Principal Investments will focus on growing its portfolio by making limited partnership investments in funds managed by NIBC and third parties. It will also provide seed capital for a series of NIBC funds in private equity and infrastructure. The direct investments will focus on financial institutions and real estate sectors.

## Investment Management

*Investment Management is responsible for the asset management and investor services activities of credit fixed income securitisations, and funds in both credit fixed income and private equity investments. It also manages NIBC's minority interests in general partners of a number of third party managed funds. Investment Management was created to separate the asset management activities from the bank's origination activities.*

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	1	0	
Net fee and commission income	24	15	60%
Other operating income	0	1	
<b>Operating income</b>	<b>25</b>	<b>16</b>	<b>56%</b>
Operating expenses	-24	-18	33%
<b>Profit before tax from continuing operations</b>	<b>1</b>	<b>-2</b>	
Tax	0	1	
<b>Profit after tax from continuing operations</b>	<b>1</b>	<b>-1</b>	
Number of FTEs	62	43	
Risk weighted assets (in EUR billions at year end)	0.0		
Assets under management (in EUR billion at year end) <sup>a</sup>	8.6	4.3	
Assets under administration (in billion at year end)	14.6	13.5	

<sup>a</sup> Reflect third party assets; this includes EUR 0.3 billion of NIBC investments in its own credit fixed income fund (Distinct) and securitisations to align interests with third party investors

- *Financial results*

Investment Management is reaching the end of its "start-up-phase". Net fee and commission income grew by 60% in 2006. The split between external and internal fees was roughly equal in 2005, compared to a material increase in the proportion of external fees in 2006. Operating expenses increased mainly due to the increase in FTEs, higher ICT related expenses and higher recruitment expenses.

- *Focus*

Investment Management is responsible for developing NIBC's asset management activities based on its existing core competencies in credit fixed income and private equity. NIBC Credit Management manages the credit fixed income assets for professional global third-parties and for NIBC itself. The focus is on four different sub-segments: global corporate credits, European leveraged loans, European securitised debt products and US securitised debt products.

Investment Management also manages NIBC's minority interests in general partners of private equity funds managed by third parties. In this way NIBC gains a foothold in new market segments where it expects a high level of activity in the coming years and gains access to a knowledge base, network and expertise in these segments.

Investment Management is earmarked as a key strategic growth area of NIBC and intends to expand its range of securitisations and credit fixed income funds and develop a number of private equity and mezzanine funds.

- *Landmark transactions*

In 2006 several new CDO transactions were issued, such as North Westerly CLO III, Belle Haven III and Orion 2006-I and Orion 2006-II. On 31 December 2006, total third party assets under management were EUR 8.6 billion, which is an increase of 100% compared to the end of 2005. Both in the US and in Europe, the external assets under management grew significantly.

### Corporate Center

Corporate Center groups together all the bank's support services, such as Human Resources, Group Finance, Group Technology and Operations, Investor Relations and Corporate Communications, Group Compliance and Internal Audit. It also manages NIBC's shareholders' equity and the other assets and liabilities not allocated to the individual SBUs.

In EUR millions	Year 2006	Year 2005	+/-
Net interest income	41	41	
Net fee and commission income	0	1	
Gains less losses from equity investments	0	-2	
Other operating income	6	2	
<b>Operating income</b>	<b>47</b>	<b>42</b>	<b>12%</b>
Operating expenses	-40	-47	-15%
Impairment of goodwill	0	-1	
Impairment of financial assets	0	0	
<b>Profit before tax from continuing operations</b>	<b>7</b>	<b>-6</b>	<b>-217%</b>
Tax	-3	2	
<b>Profit after tax from continuing operations</b>	<b>4</b>	<b>-4</b>	<b>-200%</b>
Number of FTEs	178	127	
Risk weighted assets (in EUR billions at year end)	0.1		

- *Financial results*

The operating income of the Corporate Center is the result of interest income on interest rate mismatch positions, interest on economic capital allocated to this SBU and unallocated economic capital. The increase in FTEs reflects the transfer of certain back-office staff from Financial Markets. All operating expenses are allocated to the other SBUs except for some general staff functions and certain "one-off" non-attributable expenses.

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**Profile of NIBC**

NIBC is a merchant bank focused on the mid-cap segment in Western Europe with a global distribution network. NIBC offers innovative corporate finance, risk management and investment solutions to corporate clients, financial institutions, institutional investors, financial sponsors and family offices. NIBC has offices in The Hague, London, Brussels, Frankfurt, New York and Singapore.

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**Forward-looking Statements**

The forward-looking statements included in this press release with respect to the business, results of operation and financial condition of NIBC are subject to a number of risks and uncertainties that could cause actual results to differ materially from forecasts, estimates or other statements set forth in this release, including but not limited to the following: changes in economic conditions in Western Europe, changes in credit spreads or interest rates, the results of our strategy and investment policies and objectives. NIBC undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances that may arise after the date of this release.

**Enclosures**

- Financial Report for the year ended 31 December 2006, NIBC Holding N.V.

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This announcement is not an offer to sell or a solicitation of any offer to buy the securities of NIBC Holding N.V. (the "Company", and such securities, the "Securities") in the United States or in any other jurisdiction.

The Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States unless registered under the Securities Act or an exemption from such registration is available. No public offering of Securities of the Company is being made in the United States.

The offer to acquire securities pursuant to any offering will be made, and any investor should make his investment, solely on the basis of information that will be contained in the prospectus to be made generally available in The Netherlands in connection with such offering. When made generally available, copies of the prospectus may be obtained at no cost through the website of Euronext Amsterdam (Dutch residents only) and the website of the Company.



INTERIM FINANCIAL STATEMENTS FOR THE YEAR  
ended 31 December 2006

NIBC Holding N.V.  
1 maart 2007

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**Consolidated income statement**  
**For the year ended 31 December**

IN MILLIONS OF EUROS	2006	2005
NET INTEREST INCOME	251	275
NET FEE AND COMMISSION INCOME	61	43
DIVIDEND INCOME	35	27
NET TRADING INCOME	92	87
GAINS LESS LOSSES FROM EQUITY INVESTMENTS	45	21
SHARE IN PROFIT OF ASSOCIATES AND JOINT VENTURES	16	4
OTHER OPERATING INCOME	16	3
<b>OPERATING INCOME</b>	<b>516</b>	<b>460</b>
PERSONNEL EXPENSES	130	122
OTHER OPERATING EXPENSES	68	50
DEPRECIATION	11	11
<b>OPERATING EXPENSES</b>	<b>209</b>	<b>183</b>
IMPAIRMENT OF GOODWILL	-	1
IMPAIRMENT OF FINANCIAL ASSETS	-14	-39
<b>TOTAL EXPENSES</b>	<b>195</b>	<b>145</b>
<b>OPERATING PROFIT</b>	<b>321</b>	<b>315</b>
RESULTS ON DISPOSAL OF SUBSIDIARIES	1	0
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>322</b>	<b>315</b>
TAX	69	81
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>253</b>	<b>234</b>
RESULT FROM DISCONTINUED OPERATIONS	35	-107
<b>NET PROFIT</b>	<b>288</b>	<b>127</b>
NET RESULT ATTRIBUTABLE TO MINORITY INTEREST	-	-31
<b>NET RESULT ATTRIBUTABLE TO PARENT SHAREHOLDERS</b>	<b>288</b>	<b>158</b>

**Consolidated income statement**  
**For the quarter**

IN MILLIONS OF EUROS	Q4 2006	Q3 2006
NET INTEREST INCOME	67	50
NET FEE AND COMMISSION INCOME	15	17
DIVIDEND INCOME	14	9
NET TRADING INCOME	-2	28
GAINS LESS LOSSES FROM EQUITY INVESTMENTS	18	5
SHARE IN PROFIT OF ASSOCIATES AND JOINT VENTURES	1	-
OTHER OPERATING INCOME	12	0
<b>OPERATING INCOME</b>	<b>125</b>	<b>109</b>
PERSONNEL EXPENSES	39	31
OTHER OPERATING EXPENSES	27	14
DEPRECIATION	2	3
<b>OPERATING EXPENSES</b>	<b>68</b>	<b>48</b>
IMPAIRMENT OF GOODWILL	-	-
IMPAIRMENT OF FINANCIAL ASSETS	-	1
<b>TOTAL EXPENSES</b>	<b>68</b>	<b>49</b>
<b>OPERATING PROFIT</b>	<b>57</b>	<b>60</b>
RESULTS ON DISPOSAL OF SUBSIDIARIES	1	0
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>58</b>	<b>60</b>
TAX	8	11
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>50</b>	<b>49</b>
RESULT FROM DISCONTINUED OPERATIONS	-	-
<b>NET PROFIT</b>	<b>50</b>	<b>49</b>
NET RESULT ATTRIBUTABLE TO MINORITY INTEREST	-	-
<b>NET RESULT ATTRIBUTABLE TO PARENT SHAREHOLDERS</b>	<b>50</b>	<b>49</b>

## Consolidated Balance Sheet

IN MILLIONS OF EUROS	31-Dec-06	31-Dec-05
<b>ASSETS</b>		
CASH AND BALANCES AT CENTRAL BANKS	239	530
DUE FROM OTHER BANKS	1,765	1,725
<b>AVAILABLE FOR SALE ASSETS</b>		
- LOANS AND ADVANCES TO CUSTOMERS	6,897	7,098
- EQUITY INVESTMENTS	185	165
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- CORPORATE LOAN WAREHOUSE	952	0
- RESIDENTIAL MORTGAGES OWN BOOK	3,484	5,029
- SECURITISED RESIDENTIAL MORTGAGES	7,942	8,417
- DEBT SECURITIES	7,202	6,274
- STRUCTURED INVESTMENTS	916	361
- DERIVATIVE FINANCIAL ASSETS HELD FOR TRADING	1,940	1,584
- DERIVATIVE FINANCIAL ASSETS USED FOR HEDGING	300	214
INVESTMENTS IN ASSOCIATES	33	24
INTANGIBLE ASSETS	338	347
PROPERTY AND EQUIPMENT (FOR OWN USE)	82	61
INVESTMENT PROPERTY	8	17
CURRENT TAX ASSETS	49	-
DEFERRED TAX ASSETS	3	7
OTHER ASSETS	301	341
<b>TOTAL ASSETS</b>	<b>32,636</b>	<b>32,194</b>

## Consolidated Balance Sheet

IN MILLIONS OF EUROS	31-Dec-06	31-Dec-05
<b>LIABILITIES</b>		
DUE TO OTHER BANKS	3,401	1,530
OTHER DEPOSITS	2,581	2,376
DUE TO CUSTOMERS	13	20
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- DEBT SECURITIES IN ISSUE STRUCTURED	4,553	5,298
- DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	2,011	1,832
- DERIVATIVE FINANCIAL LIABILITIES USED FOR HEDGING	133	159
<b>DEBT SECURITIES IN ISSUE</b>		
- OWN DEBT SECURITIES IN ISSUE	9,334	9,231
- DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES	7,246	8,411
OTHER LIABILITIES	500	573
CURRENT TAX LIABILITIES	-	32
DEFERRED TAX LIABILITIES	60	54
EMPLOYEE BENEFIT OBLIGATIONS	17	29
SUBORDINATED LIABILITIES	688	677
<b>TOTAL LIABILITIES</b>	<b>30,537</b>	<b>30,222</b>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL	1,363	1,362
OTHER RESERVES	369	299
RETAINED EARNINGS	79	149
NET RESULT ALLOCATED TO PARENT SHAREHOLDERS	288	158
<b>TOTAL PARENT SHAREHOLDERS' EQUITY</b>	<b>2,099</b>	<b>1,968</b>
MINORITY INTEREST	-	4
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,099</b>	<b>1,972</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>32,636</b>	<b>32,194</b>

## Consolidated statement of changes in shareholders' equity

IN MILLIONS OF EUROS	SHARE CAPITAL	OTHER RESERVES (1)	RETAINED EARNINGS	NET RESULT	MINORITY INTEREST	TOTAL
<b>BALANCE AT 1 JANUARY 2005</b>	1,361	295	270	179	24	2,129
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		-6				-6
REVALUATION CORPORATE LOANS		-6				-6
REVALUATION EQUITY INVESTMENTS		39				39
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>		27				27
NET RESULT FOR THE YEAR				158	-31	127
CAPITAL INJECTION					11	11
DIVIDENDS			-121	-179		-300
PROCEEDS FROM ISSUED SHARES	1	16				17
TREASURY SHARES HELD BY THE "FOUNDATION"		-43				-43
OTHER MOVEMENTS		4				4
<b>BALANCE AT 31 DECEMBER 2005</b>	1,362	299	149	158	4	1,972

<b>BALANCE AT 1 JANUARY 2006</b>	1,362	299	149	158	4	1,972
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		-12				-12
REVALUATION INVESTMENT PROPERTY		15				15
REVALUATION CORPORATE LOANS		16				16
REVALUATION EQUITY INVESTMENTS		15				15
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>		34				34
NET RESULT FOR THE YEAR				288		288
DISPOSAL OF A SUBSIDIARY					-4	-4
DIVIDENDS (2)			-97	-158		-255
TREASURY SHARES HELD BY THE "FOUNDATION"	1	-1				
RELEASE LIABILITY NIBC CHOICE		31	3			34
NIBC CHOICE EXPENSE		6	24			30
<b>BALANCE AT 31 DECEMBER 2006</b>	1,363	369	79	288	0	2,099

(1) Other reserves include among others the share premium reserve, the hedging reserve and the revaluation reserve.

(2) Dividends paid in 2006 concern €102 million ordinary dividend over 2005, €51 million interim dividend over 2006 and €102 million extraordinary dividend.

## Condensed consolidated cash flow statement

IN MILLIONS OF EUROS	2006	2005
<b>OPERATING ACTIVITIES</b>		
CASH FLOWS FROM OPERATING ACTIVITIES CONTINUED OPERATIONS	677	949
CASH FLOWS FROM OPERATING ACTIVITIES DISCONTINUED OPERATIONS	0	-212
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>677</b>	<b>737</b>
<b>INVESTING ACTIVITIES</b>		
CASH FLOWS FROM INVESTING ACTIVITIES CONTINUED OPERATIONS	8	66
CASH FLOWS FROM INVESTING ACTIVITIES DISCONTINUED OPERATIONS	2	-2
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>10</b>	<b>64</b>
<b>FINANCING ACTIVITIES</b>		
CASH FLOWS FROM FINANCING ACTIVITIES CONTINUED OPERATIONS	-877	-41
CASH FLOWS FROM FINANCING ACTIVITIES DISCONTINUED OPERATIONS	-9	64
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-886</b>	<b>23</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS CONTINUED OPERATIONS	-192	974
NET INCREASE IN CASH AND CASH EQUIVALENTS DISCONTINUED OPERATIONS	-7	-150
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-199</b>	<b>824</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>1,954</b>	<b>1,130</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS CONTINUED OPERATIONS	-192	974
NET INCREASE IN CASH AND CASH EQUIVALENTS DISCONTINUED OPERATIONS	-7	-150
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>1,755</b>	<b>1,954</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>		
- CASH AND BALANCES WITH CENTRAL BANKS	239	530
- DUE FROM OTHER BANKS (MATURITY 3 MONTHS OR LESS)	1,516	1,424
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>1,755</b>	<b>1,954</b>

## Accounting policies

### General information

NIBC Holding N.V. ("NIBC") is a merchant bank focused on the mid-cap segment in Western Europe with a global distribution network. NIBC offers innovative corporate finance, risk management and investment solutions. Its clients are corporates, financial institutions, institutional investors, financial sponsors and family offices. NIBC has offices in The Hague, London, Brussels, Frankfurt, New York and Singapore.

NIBC Holding N.V. is domiciled in The Netherlands.

### Accounting policies

The principal accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2006, as described in the annual financial statements of NIBC Holding N.V. for the year ended 31 December 2006.

The following new standards, amendments to standards and interpretations are mandatory for financial year ended 31 December 2006:

- IAS 19 Amendment introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. As NIBC does not intend to change its accounting policy for the recognition of actuarial gains and losses and does not participate in any multi-employer plans, the adoption of this amendment only impacts the format and extent of disclosures presented in the financial statements.
- IAS 21 Amendment and IAS 39 Amendment – Cash flow hedge accounting of forecasted intragroup transactions, IFRS 1, IFRS 6, IFRIC 4 and IFRIC 5 are not relevant to NIBC's operating activities and therefore have no material effect on NIBC's policies.
- IAS 39 Amendment – The Fair Value Option. Prior to the amendment, NIBC applied the unrestricted version of the fair value option in IAS 39. NIBC meets the new criteria in the amendment and therefore continues to designate certain financial assets and financial liabilities at fair value through profit and loss.
- IAS 39 and IFRS 4 Amendment – Financial Guarantee Contracts. These types of contracts are now accounted for under IAS 39 and are no longer accounted for under IFRS 4, as previously required under IFRS. The measurement and disclosure requirements under IAS 39 have not resulted in a material change to NIBC's policies.

## 1. SEGMENT REPORTING

### BUSINESS SEGMENTS

IN MILLIONS OF EUROS	CONTINUED OPERATIONS													
	CORPORATE FINANCE		FINANCIAL MARKETS		REAL ESTATE MARKETS		INVESTMENT MANAGEMENT		PRINCIPAL INVESTMENTS		CORPORATE CENTER		TOTAL	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
NET INTEREST INCOME	115	129	16	25	57	60	1	-	21	20	41	41	251	275
NET FEE AND COMMISSION INCOME	36	29	-2	-3	4	-	24	15	-1	1	-	1	61	43
DIVIDEND INCOME	5	4	21	16	-	-	-	-	9	7	-	-	35	27
NET TRADING INCOME	6	11	60	38	26	38	-	-	-	-	-	-	92	87
GAINS LESS LOSSES FROM EQUITY INVESTMENTS	1	-	-	-	-	-	-	-	44	23	-	-2	45	21
SHARE IN PROFIT OF ASSOCIATES AND JOINT VENTURES	3	-	13	-	-	-	-	-	-	4	-	-	16	4
OTHER OPERATING INCOME	12	-	-2	-	-	-	-	1	-	-	6	2	16	3
<b>OPERATING INCOME</b>	<b>178</b>	<b>173</b>	<b>106</b>	<b>76</b>	<b>87</b>	<b>98</b>	<b>25</b>	<b>16</b>	<b>73</b>	<b>55</b>	<b>47</b>	<b>42</b>	<b>516</b>	<b>460</b>
<b>OPERATING EXPENSES</b>	<b>75</b>	<b>65</b>	<b>29</b>	<b>27</b>	<b>22</b>	<b>15</b>	<b>24</b>	<b>18</b>	<b>19</b>	<b>11</b>	<b>40</b>	<b>47</b>	<b>209</b>	<b>183</b>
IMPAIRMENT OF GOODWILL	-	-	-	-	-	-	-	-	-	-	-	1	-	1
IMPAIRMENT OF FINANCIAL ASSETS	-5	-32	-	-	-	-	-	-	-9	-7	-	-	-14	-39
<b>TOTAL EXPENSES</b>	<b>70</b>	<b>33</b>	<b>29</b>	<b>27</b>	<b>22</b>	<b>15</b>	<b>24</b>	<b>18</b>	<b>10</b>	<b>4</b>	<b>40</b>	<b>48</b>	<b>195</b>	<b>145</b>
<b>OPERATING PROFIT</b>	<b>108</b>	<b>140</b>	<b>77</b>	<b>49</b>	<b>65</b>	<b>83</b>	<b>1</b>	<b>-2</b>	<b>63</b>	<b>51</b>	<b>7</b>	<b>-6</b>	<b>321</b>	<b>315</b>
RESULTS ON DISPOSAL OF SUBSIDIARIES	1	-	-	-	-	-	-	-	-	-	-	-	1	-
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>109</b>	<b>140</b>	<b>77</b>	<b>49</b>	<b>65</b>	<b>83</b>	<b>1</b>	<b>-2</b>	<b>63</b>	<b>51</b>	<b>7</b>	<b>-6</b>	<b>322</b>	<b>315</b>
TAX	32	41	9	11	16	24	-	-1	9	8	3	-2	69	81
<b>PROFIT BEFORE TAX AFTER CONTINUING OPERATIONS</b>	<b>77</b>	<b>99</b>	<b>68</b>	<b>38</b>	<b>49</b>	<b>59</b>	<b>1</b>	<b>-1</b>	<b>54</b>	<b>43</b>	<b>4</b>	<b>-4</b>	<b>253</b>	<b>234</b>
AVERAGE ALLOCATED ECONOMIC CAPITAL	483	477	174	159	123	135	5	5	110	123	38	28	934	927
AVERAGE UNALLOCATED CAPITAL	-	-	-	-	-	-	-	-	-	-	592	477	592	477
SEGMENT ASSETS	7,657	6,934	12,696	11,074	11,426	13,446	0	12	377	298	480	430	32,636	32,194
SEGMENT LIABILITIES	7,165	6,509	11,879	10,396	10,691	12,622	0	11	353	280	449	404	30,537	30,222
CAPITAL EXPENDITURE	2	0	7	1	0	0	0	3	0	0	0	6	10	10

## 2. Capital & shares

	2006	2005
<b>THE NUMBER OF AUTHORISED SHARES:</b>		
NUMBER OF AUTHORISED SHARES	500,000,000	500,000,000
NUMBER OF SHARES ISSUED AND FULLY PAID	102,402,346	102,094,820
PAR VALUE PER SHARE	1	1
<b>RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:</b>		
AS AT 1 JANUARY	102,094,820	101,150,685
ADDITIONAL SHARES ISSUED	307,526	944,135
AS AT 31 DECEMBER	<b>102,402,346</b>	<b>102,094,820</b>

Out of the total number of issued share issued by NIBC Holding N.V. 2,675,660 (2005: 2,390,660) shares are held by Stichting Administratiekantoor NIBC Holding.

### 3. Related party transactions

#### **NIBC Choice**

NIBC Choice comprises NIBC Holding N.V.'s employee stock and option plan.

In 2006 € 36 million of expenses relating to NIBC Choice are included in personnel expenses. These expenses concern the amortization during the vesting period of the market value at grant date of options granted to employees, the amortization during the vesting period of the issue price of restricted depositary receipts granted to employees and the revaluation of those common and restricted depositary receipts for which a good leaver put option exists.

Shareholders' equity of NIBC Holding N.V. displays an increase of € 60 million relating to NIBC Choice. This mainly reflects the release of that part of the liability relating to a good leaver put option of the employees in common and restricted depositary receipts, to the extent this right was waived by employees during 2006. In addition, the expenses mentioned above relating to options and equity settled restricted depositary receipts are - at the moment of recognition - released directly in shareholders' equity.

#### **Related party co-investments**

NIBC is sometimes offered the opportunity to co-invest in funds managed by one of our shareholders or its affiliates. The decision to co-invest is always made at arms length and independently by NIBC. In 2006, we co-invested in the following transactions:

#### **J.C. Flowers II LP**

In June 2006, the general partner of J.C. Flowers II LP (together with its sister vehicle, "**Flowers Fund II**"), an investment fund managed by an affiliate of J.C. Flowers & Co., accepted a \$100 million capital commitment from NIBC. The management fee and the profits interest otherwise payable by limited partners in such fund have been waived with respect to the investment by NIBC. In addition, NIBC will receive a portion of (i) the profits interest payable to an affiliate of J.C. Flowers & Co. by investors in Flowers Fund II, and (ii) the management fee payable to J.C. Flowers & Co. by Flowers Fund II, in each case based on the percentage of aggregate capital commitments to Flowers Fund II represented by the capital commitment of NIBC.

Investment advisory firm J.C. Flowers & Co., receives a management fee from Flowers Fund II in consideration for acting as investment adviser to Flowers Fund II. NIBC performs fund-raising activities for this fund for which a placement fee is received.

Mr. Enthoven, the Chairman of the Managing Board and Chief Executive Officer of NIBC and Mr. Jansen Schoonhoven, one of NIBC's directors, serve on the Transaction and Advisory Committee of Flowers Fund II. This committee meets weekly to discuss new investment prospects, structuring and execution of investments under consideration and enhancing value in current portfolio companies of Flowers Fund II. In addition, three members of NIBC's Managing Board and some of NIBC's employees have personally invested in Flowers Fund II as limited partners.

In 2006 NIBC earned fees of € 2.7 million relating to this transaction.

Prior to the acquisition of NIBC N.V. by an international consortium of investors organised by J.C. Flowers & Co. LLC, the shares in NIBC N.V. (at the time called NIB Capital N.V.) were held 50% by ABP and 50% by PGGM. The related party transactions described below were entered into with the former shareholders ABP and PGGM, or with entities over which they had significant influence or (joint) control.

#### **Parnib - ABP Investments**

Parnib - ABP Investments B.V. is a joint venture between ABP and NIBC Bank N.V. Parnib - ABP Investments B.V. is 66.75% owned by ABP. The remaining 33.25% is indirectly owned by NIBC Bank N.V. Parnib - ABP Investments B.V. holds a 42.7% interest in QCM Private Equity Fund (Netherlands) LP. This fund invests in a combination of buy-out and buy-in transactions in the medical / pharmaceutical industry. The approximate value of the 42.7% interest in QCM Private Equity Fund (Netherlands) LP held by Parnib - ABP Investments B.V. was € 10.2 million as at 31 December 2006 (2005: € 12.3 million). In 2006 NIBC recognized revenues of € 2.0 million (2005: € 4.9 million) in respect of this arrangement.

#### **Alpinvest Partners N.V.**

Alpinvest Partners N.V. is a subsidiary of ABP and PGGM and takes stakes (sometimes on behalf of ABP and PGGM) in a large number of companies in The Netherlands and elsewhere in the normal conduct of its business. NIBC Bank N.V. has entered into financing and other transactions for some of these companies. All of these transactions were concluded on arms length terms, similar to the conditions that are also offered to other banks.

#### **4. Discontinued operations**

The discontinued operations in 2005 and 2006 concern the NIBC Petercam Derivatives N.V. (liquidated in 2005), Harcourt Investment Consulting A.G. (sold in 2006) and NIBC Wealth Management N.V. (sold in 2006). Operations discontinued in 2006 are also treated as discontinued in the comparative figures 2005.

#### **5. Subsequent events**

There are no subsequent events.

## 6. Correction of 2005 results

The consolidated annual accounts of NIBC include the results and financial position of its wholly-owned subsidiary NIBC N.V. The latter company reported its annual accounts on 2 March 2006. Subsequently, management identified a number of errors in shareholders' equity at 1 January 2005 in its profit after tax from continuing operations for the year ended 31 December 2005 and in its shareholders' equity at 31 December 2005. In conformity with IAS 8, correction of these errors will be made in the 2005 comparative figures of the 2006 financial statements of NIBC Bank N.V.

The financial statements of NIBC Holding NV in respect of the year ended 31 December 2005 fully reflect these corrections. Certain of the corrections had a positive effect, while others had a negative effect. As a result of these corrections, on a net basis, NIBC N.V.'s total shareholders' equity at 1 January 2005, profit after tax from continuing operations for 2005 and shareholders' equity at 31 December 2005 as included in the consolidated financial statements of NIBC have been reduced by € 11 million, € 27 million and € 34 million, respectively.

The adjustments principally relate to the correction of errors in the models used to determine the fair value of certain financial instruments (including corporate loans, mortgage loans and structured debt securities issued by NIBC Bank N.V.); to the correction of errors in the determination of IAS 39 compliant impairment provisions; and to the correction of errors in the determination of the adjustments required to restate Dutch GAAP balance sheet amounts to IFRS. These errors all relate to the adoption of IFRS by NIBC N.V., in particular to the adoption of IAS 39 as at 1 January 2005.

Furthermore, adjustments were made to correct errors in the presentation of certain gains and losses related to interest rate and currency derivatives and debt securities in issue structured. These last adjustments affected interest and similar income, interest expense and similar charges and net trading income; the effect of these adjustments on the profit after tax from continuing operations for 2005 is nil.

In addition, the following corrections have been made related to presentation:

- A dividend of € 25 million received from an associate entity in 2005 was incorrectly presented on the face of NIBC N.V.'s consolidated income statement as both dividend income and an equivalent loss in the line item "Income from associates and joint ventures." This gross presentation has been eliminated; the effect of this adjustment on net profit for 2005 is nil.
- Investments totalling € 361 million as of 31 December 2005 were incorrectly presented on the face of NIBC N.V.'s consolidated balance sheet as "Equity Investments" under "Available for Sale Assets;" in the corrected balance sheet, these investments are presented as "Structured Investments" under "Financial Assets Fair Value Through Profit or Loss (Including Trading)."
- Certain assets and liabilities of a subsidiary were incorrectly presented on the face of NIBC N.V.'s consolidated balance sheet. In the corrected balance sheet this led to an increase of € 270 million of the balance sheet total at the end of 2005 and by € 277 million at the end of 2004, which - in both years - is reflected in "Due from other banks" (assets) and "Other deposits" (liabilities).

The following tables illustrate the line items that have been corrected as a result of the above. Adjustments to line items represent the aggregate net impact of the correction of errors, and are not indicative of the magnitude of the gross adjustments made to correct individual errors.

The tables below display the corrected lines items in balance sheet and income statement only.

**Corrections of the consolidated IFRS Balance Sheet NIBC N.V. as at 1 January 2005**

Before profit appropriation

IN MILLIONS OF EUROS	AS PREVIOUSLY REPORTED BY NIBC NV	CORRECTED AMOUNT
<b>ASSETS</b>		
DUE FROM OTHER BANKS	1,304	1,581
<b>AVAILABLE FOR SALE ASSETS</b>		
- LOANS AND ADVANCES TO CUSTOMERS	6,838	6,861
- EQUITY INVESTMENTS	398	138
<b>FINANCIAL ASSETS FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- RESIDENTIAL MORTGAGES OWN BOOK	8,245	8,227
- SECURITISED RESIDENTIAL MORTGAGES	4,011	3,997
- DEBT SECURITIES	6,607	6,612
- STRUCTURED INVESTMENTS	-	260
DEFERRED TAX ASSETS	97	89
OTHER ASSETS	1,193	1,190
<b>TOTAL ASSETS</b>	<b>31,564</b>	<b>31,826</b>
<b>LIABILITIES</b>		
OTHER DEPOSITS	4,048	4,325
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- DEBT SECURITIES IN ISSUE STRUCTURED	5,078	5,124
OWN DEBT SECURITIES IN ISSUE	9,402	9,373
CURRENT TAX LIABILITIES	104	94
DEFERRED TAX LIABILITIES	152	141
<b>TOTAL LIABILITIES</b>	<b>29,424</b>	<b>29,697</b>
<b>SHAREHOLDERS' EQUITY</b>		
OTHER RESERVES	289	295
RETAINED EARNINGS	287	270
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,140</b>	<b>2,129</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>31,564</b>	<b>31,826</b>

**Corrections of the consolidated IFRS income statement NIBC N.V.  
for the year ended 31 December 2005**

IN MILLIONS OF EUROS	AS PREVIOUSLY REPORTED BY NIBC NV	CORRECTED AMOUNT
INTEREST AND SIMILAR INCOME	821	1,107
INTEREST EXPENSE AND SIMILAR CHARGES	531	832
NET INTEREST INCOME	290	275
NET TRADING INCOME	113	88
DIVIDEND INCOME	52	27
SHARE IN PROFIT OF ASSOCIATES AND JOINT VENTURES	-21	4
PERSONNEL EXPENSES	127	131
IMPAIRMENT OF FINANCIAL ASSETS	-35	-39
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>359</b>	<b>319</b>
TAX	95	82
<b>PROFIT AFTER TAX AFTER CONTINUING OPERATIONS</b>	<b>264</b>	<b>237</b>

**Corrections of the consolidated IFRS Balance Sheet NIBC N.V.as at 31 December 2005**

Before profit appropriation

IN MILLIONS OF EUROS	AS PREVIOUSLY REPORTED BY NIBC NV	CORRECTED AMOUNT
<b>ASSETS</b>		
DUE FROM OTHER BANKS	1,434	1,708
<b>AVAILABLE FOR SALE ASSETS</b>		
- LOANS AND ADVANCES TO CUSTOMERS	7,077	7,098
- EQUITY INVESTMENTS	523	165
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- RESIDENTIAL MORTGAGES OWN BOOK	5,040	5,029
- SECURITISED RESIDENTIAL MORTGAGES	8,449	8,416
- DEBT SECURITIES	6,269	6,274
- STRUCTURED INVESTMENTS	-	361
DEFERRED TAX ASSETS	94	86
OTHER ASSETS	345	341
<b>TOTAL ASSETS</b>	<b>32,009</b>	<b>32,257</b>
<b>LIABILITIES</b>		
OTHER DEPOSITS	2,106	2,376
<b>FINANCIAL LIABILITIES FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- DEBT SECURITIES IN ISSUE STRUCTURED	5,252	5,298
<b>DEBT SECURITIES IN ISSUE</b>		
- OWN DEBT SECURITIES IN ISSUE	9,244	9,231
OTHER LIABILITIES	529	530
CURRENT TAX LIABILITIES	45	33
DEFERRED TAX LIABILITIES	143	132
<b>TOTAL LIABILITIES</b>	<b>29,977</b>	<b>30,258</b>
<b>SHAREHOLDERS' EQUITY</b>		
RETAINED EARNINGS	165	158
NET RESULT ALLOCATED TO PARENT SHAREHOLDERS	185	158
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,032</b>	<b>1,998</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>32,009</b>	<b>32,257</b>

Furthermore, the gain of €246 million arising on the disposal of NIB Private Equity N.V. in 2004 is presented as a separate line item, "Results on disposal of subsidiaries", on the face of NIBC Holding N.V.'s IFRS consolidated income statement in respect of the year ended 31 December 2004. NIBC N.V. previously reported this gain within the line item "Income from associates and joint ventures".