

## PRESS RELEASE

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### NIBC Bank reports EUR 110 million profit after tax from continuing operations in the first half of 2008

- Profit after tax from continuing operations of NIBC Bank in the first half of 2008 amounts to EUR 110 million, 17% below the same period last year
- Net profit attributable to parent shareholders of NIBC Bank in the first half of 2008 is EUR 109 million; in the same period last year the bank reported a loss of EUR 5 million (including a loss on discontinued operations of EUR 136 million)
- Tier-1 ratio NIBC Bank improves further to 14.6%
- NIBC Holding realised a profit on the remaining US commercial real estate securities portfolio in the second quarter of 2008; Tier-1 ratio of 14.2%
- Business strategy sharpened around two pillars: Merchant Banking and Specialised Finance
- Further diversification of funding sources: covered bond programme launched in the second quarter of 2008

*Jeroen Drost, Chief Executive Officer of NIBC*

“NIBC continues to benefit from its strong capital position in these turbulent markets. This is reflected in our further improved core Tier-1 ratio. Our second quarter results underline our business strategy to focus on what we do best for our clients. Building on our expertise and reputation, we arranged important transactions in our home markets, served as merchant bank to mid-cap clients and provided specialised financing in clearly defined areas. As part of our funding diversification strategy, we recently signed our covered bond programme. We have a strong platform for further growth, but markets are likely to remain challenging.”

#### NIBC Bank key figures

In EUR millions	HY 2008	HY 2007	+/-	Q2 2008	Q1 2008	+/-	Q2 2007	+/-
Profit after tax from continuing operations	110	132	-17%	60	50	20%	68	-12%
Net profit attributable to parent shareholders	109	-5		60	49	22%	-40	
Efficiency ratio	39%	41%		38%	40%		39%	
Return on net asset value (after tax)	15%	19%		16%	14%		19%	

*Note: small differences are possible in the tables due to rounding*

## Recent developments

### ***Financial results NIBC Bank for the first half year of 2008***

- Market circumstances continued to be challenging for all market players, including NIBC. Investment banking activities are under pressure. Profit after tax from continuing operations amounted to EUR 110 million in the first half year of 2008, a decrease of 17% compared to the same period in 2007. This decrease is mainly the result of 3% lower operating income and higher impairments.
- In light of current difficult market circumstances we have carefully scrutinised our loan portfolio. This resulted in higher impairments in the second quarter of 2008. We are comfortable with our balance sheet and at the moment we do not expect a comparable level of impairments in the next quarters.

### ***Two pillar strategy***

- NIBC has sharpened its business strategy, without major changes, around two strategic pillars – Merchant Banking and Specialised Finance. We have streamlined our structure to concentrate on what we are good at. Our strengths lie in our credit skills, especially in asset finance, our strong mid market franchise, our investment management capabilities, and our high quality people and their entrepreneurial spirit.
- Merchant Banking will serve the mid-cap clients in the Benelux and Germany who make up our core business, working on our established 'triple play' model of advising, financing and co-investing with clients.
- Specialised Finance will employ its expertise to be a meaningful player in providing asset financing in specialised fields, such as leveraged finance, oil services, infrastructure, and real estate, supported by a strong distribution platform.
- Financial markets portfolios will continue to be reduced, leading to a further de-risking of our balance sheet.

### ***Funding diversification strategy***

- Treasury is responsible for managing our interest and liquidity position and adequately funding NIBC's assets. Diversification of funding is a key objective of our strategy.
- In May 2008 NIBC launched its covered bond programme under which EUR 390 million has been issued in the year to date.
- NIBC maintains a sound liquidity position.

### ***Transactions***

NIBC Bank is able to arrange important transactions in its home markets. Loan transaction volume in the second quarter increased compared to the previous quarter. Examples of client transactions in the second quarter of 2008 include:

- NIBC Capital Partners acquired a significant majority stake in the Dutch sheet pile specialist Busker Hei- en Waterwerken.
- NIBC Grondwaarde Fonds I (NIBC Land Value Fund) had its first closing at the end of the second quarter parallel to the first investment of this Fund.
- Bookrunners and Mandated Lead Arrangers NIBC and Scotia Capital successfully closed syndication of the USD 225 million Term Loan for GE SeaCo SRL. The facility raised an oversubscription in general syndication and was increased to USD 250 million.
- NIBC Leveraged Finance successfully coordinated the refinancing of AFAB Financiële Diensten Holding N.V.

- As part of our residential real estate activities, NIBC Bank acquired a Dutch mortgage loan portfolio of EUR 350 million, consisting for the majority of NHG-mortgages.
- NIBC sold its stake in Vitae to Manpower Netherlands.

### **NIBC Holding results**

- The US commercial real estate securities portfolio in NIBC Holding is the only material difference between NIBC Holding and NIBC Bank. NIBC has no exposure to US residential mortgages since August 2007.
- The US commercial real estate portfolio has a fair value of EUR 219 million, being 37% of the nominal value, as per 30 June 2008. In the second quarter of this year sales of part of this portfolio together with revaluations resulted in a profit after tax of EUR 34 million on this portfolio.
- Altogether, NIBC Holding posted a net profit of EUR 99 million in the second quarter of 2008, resulting in an overall net loss for the first half year 2008 of EUR 146 million.
- The Tier-1 ratio of NIBC Holding is 14.2% and the BIS-ratio is 16.5% as at 30 June 2008.

### **NIBC Bank profit & loss**

In EUR millions	HY 2008	HY 2007	+/-	Q2 2008	Q1 2008	+/-	Q2 2007	+/-
Net interest income	98	109		50	48		56	
Net fee and commission income	27	40		7	20		23	
Dividend income	28	47		15	13		22	
Net trading income	57	38		18	39		12	
Gains less losses from financial assets	28	19		36	-8		17	
Share in profit of associates	7	0		6	1		-1	
Other operating income	2	2		1	1		1	
<b>Operating income</b>	<b>247</b>	<b>255</b>	<b>-3%</b>	<b>133</b>	<b>114</b>	<b>17%</b>	<b>131</b>	<b>1%</b>
Personnel expenses	-63	-70		-34	-29		-35	
Other operating expenses	-29	-29		-14	-15		-13	
Depreciation	-4	-6		-2	-2		-3	
<b>Operating expenses</b>	<b>-96</b>	<b>-105</b>	<b>-9%</b>	<b>-50</b>	<b>-46</b>	<b>9%</b>	<b>-51</b>	<b>-2%</b>
Impairment of financial assets	-24	1		-19	-5		-2	
<b>Total expenses</b>	<b>-120</b>	<b>-104</b>	<b>15%</b>	<b>-69</b>	<b>-51</b>	<b>35%</b>	<b>-53</b>	<b>29%</b>
<b>Operating profit</b>	<b>127</b>	<b>151</b>	<b>-16%</b>	<b>64</b>	<b>63</b>	<b>2%</b>	<b>78</b>	<b>-18%</b>
Tax	-17	-19		-4	-13		-10	
<b>Profit after tax from continuing operations</b>	<b>110</b>	<b>132</b>	<b>-17%</b>	<b>60</b>	<b>50</b>	<b>20%</b>	<b>68</b>	<b>-12%</b>
Result from discontinued operations	0	-136		0	0		-107	
<b>Net profit</b>	<b>110</b>	<b>-4</b>		<b>60</b>	<b>50</b>	<b>20%</b>	<b>-39</b>	
Result attributable to minority interest	-1	-1		0	-1		0	
<b>Net profit attributable to parent shareholders</b>	<b>109</b>	<b>-5</b>		<b>60</b>	<b>49</b>	<b>22%</b>	<b>-40</b>	

### Income and expenses over the first six months of 2008 compared to first half of 2007

- Operating income declined 3% in the first half of 2008. The decrease compared to 2007 is mainly due to a high extraordinary dividend of EUR 21 million received on equity positions in the first half of 2007 and lower business volume in the current market.
- Our client activity-related income sources, i.e. interest, fee, dividend income and gains less losses from financial assets are together responsible for EUR 181 million income (73% of total operating income). In the same period of 2007 these income sources totalled EUR 215 million (84% of total operating income).
- Trading income is by its nature more volatile. A large part of our balance sheet is designated as fair value through profit or loss. This means that as a result of credit spread movements, our trading income is affected by mark-to-market movements on both assets and liabilities. The trading income of EUR 57 million (EUR 38 million in the same period of 2007), was positively affected by repurchases of liabilities.
- Some one-off personnel costs were booked in the second quarter of this year. Despite this, operating expenses were reduced in the first half of 2008, as a result of a decrease in staff, mainly due to natural turnover, and lower variable compensation.
- In light of current market circumstances we have carefully scrutinised our loan portfolio. This resulted in higher impairments in the second quarter of 2008. At the moment we do not expect this level of impairments to continue in the next quarters.

### NIBC Bank other key figures

NIBC Bank	30-Jun	30-Jun	31-Dec
	2008	2008	2007
	Basel II	Basel I	Basel I
Tier-1 ratio	14.6%	13.9%	11.7%
Core Tier-1 ratio	12.0%	11.5%	9.4%
BIS-ratio	16.8%	15.5%	13.4%
Shareholders' equity (in EUR million)	1,597	1,597	1,558
Number of FTEs (end of period)	660	660	703
Risk weighted assets (in EUR billion)	12.8	13.8	15.4

### Shareholders' equity and capital ratios

In the first half of 2008 shareholders' equity of NIBC Bank increased from EUR 1,558 million<sup>1</sup> to EUR 1,597 million. The increase of EUR 39 million mainly stems from the higher net profit attributable to parent shareholders of EUR 109 million and a net decrease of reserves (revaluation and hedging) of EUR 75 million.

The further de-risking of our balance sheet resulted in total assets of EUR 28.6 billion as at end June 2008, compared to EUR 31.8 billion at year end 2007.

The capital ratios of NIBC Bank are very strong (Tier-1 ratio of 14.6% and a BIS-ratio of 16.8%) and well above the minimum legal requirements of 4% and 8% respectively.

<sup>1</sup> Shareholders' equity of NIBC Bank N.V. on 31 December 2007 has been increased by EUR 35 million compared to the figure displayed in the financial statements 2007 due to the implementation of IFRS/IFRIC 11

### Profit after tax from continuing operations of NIBC Bank per Strategic Business Unit

In EUR millions	HY 2008	HY 2007	+/-	Q2 2008	Q1 2008	+/-	Q2 2007	+/-
Corporate Finance	16	50		3	13		26	
Real Estate Markets	40	21		1	39		10	
Financial Markets	33	26		26	6		8	
Principal Investments	34	39		37	-3		22	
Investment Management	2	3		1	1		3	
Corporate Center	-15	-8		-9	-6		-1	
<b>NIBC Total</b>	<b>110</b>	<b>132</b>	<b>-17%</b>	<b>60</b>	<b>50</b>	<b>20%</b>	<b>68</b>	<b>-12%</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 client coverage teams and product groups working in tandem to offer integrated banking solutions to clients. 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	HY 2008	HY 2007	+/-	Q2 2008	Q1 2008	+/-	Q2 2007	+/-
Net interest income	49	67		24	25		36	
Net fee and commission income	19	29		4	15		15	
Dividend income	0	2		0	0		2	
Net trading income	3	5		4	-1		4	
Gains less losses from financial assets	1	0		1	0		0	
Share in profit of associates	6	-1		6	1		-1	
<b>Operating income</b>	<b>79</b>	<b>103</b>	<b>-24%</b>	<b>39</b>	<b>40</b>	<b>-3%</b>	<b>56</b>	<b>-31%</b>
<b>Operating expenses</b>	<b>-37</b>	<b>-36</b>	<b>0%</b>	<b>-18</b>	<b>-19</b>	<b>-3%</b>	<b>-18</b>	<b>0%</b>
Impairment of financial assets	-23	1		-18	-5		-3	
<b>Total expenses</b>	<b>-60</b>	<b>-36</b>	<b>67%</b>	<b>-36</b>	<b>-24</b>	<b>54%</b>	<b>-21</b>	<b>75%</b>
<b>Profit before tax</b>	<b>19</b>	<b>67</b>	<b>-72%</b>	<b>2</b>	<b>16</b>	<b>-85%</b>	<b>35</b>	<b>-93%</b>
Tax	-3	-17		1	-4		-9	
<b>Profit after tax</b>	<b>16</b>	<b>50</b>	<b>-68%</b>	<b>3</b>	<b>13</b>	<b>-74%</b>	<b>26</b>	<b>-88%</b>

### Financial results

- Investment banking activities are under pressure, as shown by the lower level of M&A transactions, and as a result lower fee income, and higher impairments in the second quarter of 2008.
- Operating income declined compared to last year. A selective approach towards new corporate loans resulted in lower net interest income as well as lower interest-related fees. In combination with the higher impairments, this resulted in lower profit after tax.

## Real Estate Markets

Real Estate Markets originates residential and commercial real estate financing in the Netherlands and Germany with the objective to refinance these assets in the capital markets, using amongst others syndication and portfolio sales.

In EUR millions	HY			Q2			Q1			Q2		
	2008	2007	+/-	2008	2008	+/-	2008	2008	+/-	2007	+/-	
Net interest income	32	34		17	16					17		
Net fee and commission income	1	5		0	1					3		
Net trading income	34	2		-8	42					0		
<b>Operating income</b>	<b>67</b>	<b>40</b>	<b>69%</b>	<b>8</b>	<b>59</b>	<b>-86%</b>				<b>19</b>	<b>-57%</b>	
<b>Operating expenses</b>	<b>-14</b>	<b>-12</b>	<b>12%</b>	<b>-7</b>	<b>-7</b>	<b>12%</b>				<b>-6</b>	<b>20%</b>	
<b>Profit before tax</b>	<b>53</b>	<b>28</b>	<b>94%</b>	<b>1</b>	<b>52</b>	<b>-98%</b>				<b>13</b>	<b>-92%</b>	
Tax	-14	-7		0	-13					-3		
<b>Profit after tax</b>	<b>40</b>	<b>21</b>	<b>94%</b>	<b>1</b>	<b>39</b>	<b>-98%</b>				<b>10</b>	<b>-91%</b>	

### Financial results

- Operating income increased to EUR 67 million.
- The increase in net trading income largely relates to mark-to-market gains on liabilities used for the funding of the residential mortgage portfolio, partly compensated by negative mark to markets on the infrastructure and commercial real estate portfolio.

## Financial Markets

Financial Markets is responsible for investments, trading and distribution of credit fixed income securities, sales and trading of interest rate derivatives and also serves as NIBC's corporate treasury.

In EUR millions	HY			Q2			Q1			Q2		
	2008	2007	+/-	2008	2008	+/-	2008	2008	+/-	2007	+/-	
Net interest income	14	-8		8	6					-5		
Net fee and commission income	0	-4		0	0					-2		
Dividend income	20	21		10	10					12		
Net trading income	19	31		21	-2					8		
Gains less losses from financial assets	-2	0		0	-2					0		
Other operating income	0	1		0	0					0		
<b>Operating income</b>	<b>52</b>	<b>41</b>	<b>27%</b>	<b>39</b>	<b>13</b>					<b>13</b>		
<b>Operating expenses</b>	<b>-17</b>	<b>-14</b>	<b>21%</b>	<b>-8</b>	<b>-9</b>	<b>-8%</b>				<b>-7</b>	<b>13%</b>	
<b>Profit before tax</b>	<b>35</b>	<b>27</b>	<b>30%</b>	<b>31</b>	<b>4</b>					<b>6</b>		
Tax	-2	-1		-5	2					2		
<b>Profit after tax</b>	<b>33</b>	<b>26</b>	<b>23%</b>	<b>26</b>	<b>6</b>					<b>8</b>		

### Financial results

- Net interest income increased mainly because of higher interest margins and transferred interest income from Corporate Center SBU to Financial Markets on certain strategic mismatch positions.
- The result on net trading income is caused by mark-to-market net losses as a result of further credit spread widening more than fully offset by realised gains on disposals of assets and liabilities (including repurchased liabilities) and other trading income.

## Principal Investments

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

In EUR millions	HY			Q2			Q1		
	2008	2007	+/-	2008	2008	+/-	2007	+/-	
Net interest income	2	8		1	1		4		
Net fee and commission income	-7	-7		-5	-2		-5		
Dividend income	8	24		5	3		9		
Net trading income	1	0		1	0		0		
Gains less losses from financial assets	29	19		35	-6		18		
Other operating income	1	1		1	0		1		
<b>Operating income</b>	<b>34</b>	<b>45</b>	<b>-24%</b>	<b>38</b>	<b>-4</b>		<b>26</b>	<b>48%</b>	
<b>Operating expenses</b>	<b>-1</b>	<b>-6</b>	<b>-82%</b>	<b>0</b>	<b>-1</b>	<b>-75%</b>	<b>-3</b>	<b>-93%</b>	
<b>Profit before tax</b>	<b>33</b>	<b>39</b>	<b>-16%</b>	<b>38</b>	<b>-4</b>		<b>23</b>	<b>66%</b>	
Tax	1	-1		-1	2		0		
<b>Profit after tax</b>	<b>34</b>	<b>39</b>	<b>-11%</b>	<b>37</b>	<b>-3</b>		<b>22</b>	<b>67%</b>	

### Financial results

- The decrease in dividend income is due to high extraordinary dividends of EUR 21 million received on equity positions in the first half of 2007.
- Exits in the second quarter of 2008 together with revaluations of current investments led to an increase in gains less losses from financial assets.

## Investment Management

Investment Management is responsible for developing asset management activities for NIBC's credit fixed income, private equity, mezzanine, real estate and infrastructure funds. It also manages NIBC's minority interests in general partners of a number of third-party managed private equity funds.

In EUR millions	HY			Q2			Q1		
	2008	2007	+/-	2008	2008	+/-	2007	+/-	
Net interest income	1	1		0	1		0		
Net fee and commission income	14	17		8	6		12		
<b>Operating income</b>	<b>14</b>	<b>18</b>	<b>-21%</b>	<b>8</b>	<b>7</b>	<b>20%</b>	<b>13</b>	<b>-39%</b>	
<b>Operating expenses</b>	<b>-12</b>	<b>-14</b>	<b>-13%</b>	<b>-7</b>	<b>-5</b>	<b>28%</b>	<b>-9</b>	<b>-24%</b>	
<b>Profit before tax</b>	<b>2</b>	<b>4</b>	<b>-51%</b>	<b>1</b>	<b>1</b>	<b>-18%</b>	<b>4</b>	<b>-76%</b>	
Tax	0	-1		0	0		-1		
<b>Profit after tax</b>	<b>2</b>	<b>3</b>	<b>-28%</b>	<b>1</b>	<b>1</b>	<b>0%</b>	<b>3</b>	<b>-61%</b>	

### Financial results

- Operating income decreased due to the transfer of a part of the business of Investment Management to Financial Markets SBU as per 1 January 2008.
- Several fund initiatives are being developed. NIBC Grondwaarde Fonds I (NIBC Land Value Fund) had its first closing at the end of the second quarter parallel to the first investment of this Fund.

## Corporate Center

Corporate Center groups all the bank's support services, such as Human Resources, Group Finance, Group Technology & Operations, Corporate Communications, Group Compliance and Internal Audit.

In EUR millions	HY			Q2			Q1		
	2008	2007	+/-	2008	2008	+/-	2007	+/-	
Net interest income	0	8		0	0		5		
Other operating income	0	1		0	0		0		
<b>Operating income</b>	<b>0</b>	<b>8</b>	<b>-99%</b>	<b>0</b>	<b>0</b>		<b>5</b>	<b>-98%</b>	
<b>Operating expenses</b>	<b>-16</b>	<b>-23</b>	<b>-31%</b>	<b>-9</b>	<b>-6</b>	<b>47%</b>	<b>-8</b>	<b>19%</b>	
<b>Profit before tax</b>	<b>-16</b>	<b>-15</b>	<b>7%</b>	<b>-9</b>	<b>-6</b>	<b>45%</b>	<b>-3</b>		
Tax	1	7		0	1		1		
<b>Profit after tax</b>	<b>-15</b>	<b>-8</b>	<b>103%</b>	<b>-9</b>	<b>-6</b>	<b>62%</b>	<b>-1</b>		

### Financial results

- Net interest income decreased because of transferred interest income from Corporate Center to Financial Markets SBU on certain strategic mismatch positions as of 1 January 2008.
- Operating expenses are lower, driven by lower payroll expenses.

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### Profile of NIBC Bank N.V.

NIBC is a Dutch merchant bank that offers integrated solutions to mid-cap clients in the Benelux and Germany through a combination of advising, financing and co-investing. The bank is also a meaningful player in a select number of clearly defined asset financing classes. It employs its expertise to provide asset financing in sectors such as leveraged finance, oil services, infrastructure, and real estate.

NIBC is an integrated, nimble and flexible organisation that reacts swiftly and creatively to the demands of its markets and clients. It is an innovative player that constantly seeks to develop products and services that are tailored to meet clients' evolving needs.

NIBC's clients are mid-cap companies, financial institutions, institutional investors, financial sponsors, family offices and high net worth entrepreneurs/owners. NIBC Bank has offices in The Hague, Brussels, Frankfurt, London and Singapore.

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### Enclosures

- Financial Report HY 2008, NIBC Bank N.V.
- Financial Report HY 2008, NIBC Holding N.V.

*The figures in this press release and the enclosures are not audited*



INTERIM FINANCIAL REPORT FOR THE SIX MONTHS  
ended 30 June 2008

NIBC Bank N.V.  
15 August 2008

**Disclaimer**

Certain of the statements contained in this Interim Financial Report for the six months ended 30 June 2008 are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ from those in such statements due to, among other things, (i) general economic conditions including near absence of liquidity in credit markets, in particular in NIBC's core and niche markets, (ii) performance of financial markets, including developing markets, (iii) interest rate levels, (iv) credit spread levels, (v) currency exchange rates, (vi) general competitive factors, (vii) general changes in the valuation of assets (viii) changes in law and regulations, and (ix) changes in policies of governments and/or regulatory authorities. NIBC assumes no obligation to update any forward looking information contained in this document.

All figures are unaudited.

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**Consolidated income statement**  
**For the period ended 30 June**

In EUR millions	notes	30-Jun-08	30-Jun-07
NET INTEREST INCOME		98	109
NET FEE AND COMMISSION INCOME		27	40
DIVIDEND INCOME		28	47
NET TRADING INCOME	2	57	38
GAINS LESS LOSSES FROM FINANCIAL ASSETS	3	28	19
SHARE IN PROFIT OF ASSOCIATES		7	-
OTHER OPERATING INCOME		2	2
<b>OPERATING INCOME</b>		<b>247</b>	<b>255</b>
PERSONNEL EXPENSES	4	63	70
OTHER OPERATING EXPENSES		29	29
DEPRECIATION		4	6
<b>OPERATING EXPENSES</b>		<b>96</b>	<b>105</b>
IMPAIRMENT OF FINANCIAL ASSETS		24	(1)
<b>TOTAL EXPENSES</b>		<b>120</b>	<b>104</b>
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>127</b>	<b>151</b>
TAX	5	17	19
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>110</b>	<b>132</b>
RESULT FROM DISCONTINUED OPERATIONS	13	-	(136)
<b>NET PROFIT</b>		<b>110</b>	<b>(4)</b>
RESULT ATTRIBUTABLE TO MINORITY INTEREST		(1)	(1)
<b>NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS</b>		<b>109</b>	<b>(5)</b>

## Consolidated Balance Sheet

In EUR millions	notes	30-Jun-08	31-Dec-07
<b>ASSETS</b>			
<b>FINANCIAL ASSETS AT AMORTISED COST</b>			
- CASH AND BALANCES WITH CENTRAL BANKS		49	874
- DUE FROM OTHER BANKS		2,523	3,145
- LOANS AND RECEIVABLES		2,300	1,794
- SECURITISED LOANS		638	638
<b>FINANCIAL ASSETS AT AVAILABLE FOR SALE</b>			
- LOANS AND RECEIVABLES		4,285	5,164
- EQUITY INVESTMENTS		133	144
- DEBT SECURITIES		171	311
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>			
- LOANS AND RECEIVABLES		1,138	1,374
- RESIDENTIAL MORTGAGES OWN BOOK		6,005	5,285
- SECURITISED RESIDENTIAL MORTGAGES		5,431	6,356
- DEBT SECURITIES		1,351	2,329
- STRUCTURED INVESTMENTS		1,137	1,212
- INVESTMENTS IN ASSOCIATES		180	147
- DERIVATIVE FINANCIAL ASSETS HELD FOR TRADING		2,712	2,641
- DERIVATIVE FINANCIAL ASSETS USED FOR HEDGING		178	85
INVESTMENTS IN ASSOCIATES		47	44
PROPERTY AND OTHER FIXED ASSETS (FOR OWN USE)		69	72
INVESTMENT PROPERTY		6	1
CURRENT TAX ASSETS		-	40
DEFERRED TAX ASSETS		29	20
OTHER ASSETS		266	153
<b>TOTAL ASSETS</b>		<b>28,648</b>	<b>31,829</b>

## Consolidated Balance Sheet

In EUR millions	notes	30-Jun-08	31-Dec-07
<b>LIABILITIES</b>			
DUE TO OTHER BANKS		6,027	4,700
DEPOSITS FROM CUSTOMERS		1,116	1,516
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>			
- DEBT SECURITIES IN ISSUE STRUCTURED	6	3,068	4,152
- OWN DEBT SECURITIES IN ISSUE	7	159	215
- DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING		2,587	2,374
- DERIVATIVE FINANCIAL LIABILITIES USED FOR HEDGING		60	53
<b>DEBT SECURITIES IN ISSUE</b>			
- OWN DEBT SECURITIES IN ISSUE	8	6,763	9,035
- DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES	9	6,420	7,214
OTHER LIABILITIES		140	244
CURRENT TAX LIABILITIES		14	-
DEFERRED TAX LIABILITIES		38	24
EMPLOYEE BENEFIT OBLIGATIONS		10	11
<b>SUBORDINATED LIABILITIES</b>			
- AMORTISED COST	10	226	236
- FAIR VALUE THROUGH PROFIT OR LOSS	11	423	497
<b>TOTAL LIABILITIES</b>		<b>27,051</b>	<b>30,271</b>
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL		80	80
OTHER RESERVES		221	296
RETAINED EARNINGS		1,171	1,073
NET RESULT ALLOCATED TO PARENT SHAREHOLDERS		109	98
<b>TOTAL PARENT SHAREHOLDERS' EQUITY</b>		<b>1,581</b>	<b>1,547</b>
<b>MINORITY INTEREST</b>		<b>16</b>	<b>11</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,597</b>	<b>1,558</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>28,648</b>	<b>31,829</b>

## Consolidated statement of changes in shareholders' equity

In EUR millions	ATTRIBUTABLE TO PARENT SHAREHOLDERS					
	SHARE CAPITAL	OTHER RESERVES (1)	RETAINED EARNINGS	NET RESULT	MINORITY INTEREST	TOTAL
<b>BALANCE AT 1 JANUARY 2007</b>	80	470	923	243	0	1,716
FIRST TIME ADOPTION CAPITAL CONTRIBUTION SHARE BASED PAYMENTS			24			24
<b>BALANCE AT 1 JANUARY 2007</b>	80	470	947	243	0	1,740
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		(31)				(31)
REVALUATION LOANS AND RECEIVABLES		(55)				(55)
REVALUATION EQUITY INVESTMENTS		25				25
REVALUATION PROPERTY IN OWN USE		1				1
REVALUATION DEBT SECURITIES						-
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>		(60)				(60)
TRANSFER NET RESULT TO RETAINED EARNINGS			243	(243)		-
NET PROFIT				(5)		(5)
DIVIDEND			(61)			(61)
CAPITAL CONTRIBUTION SHARE BASED PAYMENTS			6			6
<b>BALANCE AT 30 JUNE 2007</b>	80	410	1,135	(5)	0	1,620
<b>BALANCE AT 1 JANUARY 2008</b>	80	296	1,037	98	11	1,522
FIRST TIME ADOPTION CAPITAL CONTRIBUTION SHARE BASED PAYMENTS			36			36
<b>BALANCE AT 1 JANUARY 2008</b>	80	296	1,073	98	11	1,558
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		(7)				(7)
REVALUATION LOANS AND RECEIVABLES		(34)				(34)
REVALUATION EQUITY INVESTMENTS		(32)				(32)
REVALUATION PROPERTY IN OWN USE						-
REVALUATION DEBT SECURITIES		(2)				(2)
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>		(75)				(75)
TRANSFER NET RESULT TO RETAINED EARNINGS			98	(98)		-
NET PROFIT				109	1	110
CAPITAL CONTRIBUTION OF THIRD PARTIES IN A SUBSIDIARY CONTROLLED BY NIBC					4	4
<b>BALANCE AT 30 JUNE 2008</b>	80	221	1,171	109	16	1,597

(1) Other reserves include Share premium, Hedging reserve and Revaluation reserve.

**Condensed consolidated cash flow statement**  
**For the six months ended 30 June**

In EUR millions	30-Jun-08	30-Jun-07
CASH FLOWS FROM OPERATING ACTIVITIES	1,994	(1,619)
CASH FLOWS FROM INVESTING ACTIVITIES	(3)	(29)
CASH FLOWS FROM FINANCING ACTIVITIES	(3,498)	1,592
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,507)</b>	<b>(56)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>3,976</b>	<b>1,979</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,507)	(56)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>2,469</b>	<b>1,923</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>		
- CASH AND BALANCES WITH CENTRAL BANKS	49	49
- DUE FROM OTHER BANKS (MATURITY 3 MONTHS OR LESS)	2,420	1,874
	2,469	1,923

## **NIBC Bank N.V.**

### **General information**

NIBC Bank N.V. (the “Company”), together with its subsidiaries (“NIBC” or the “Group”) 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 Bank N.V. has offices in The Hague, London, Brussels, Frankfurt and Singapore.

NIBC Bank N.V. is domiciled in The Netherlands, and is a 100% subsidiary of NIBC Holding N.V.

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

### **Basis of Preparation**

The Group's condensed interim financial information has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The interim condensed financial report should be read in conjunction with NIBC's annual financial statements for the year ended 31 December 2007.

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2007, as described in the annual financial statements for the year ended 31 December 2007.

The preparation of financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The most significant areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim financial information are described below under 'Most significant critical accounting estimates and judgements'.

#### **(a) Standards, amendments and interpretations effective in 2008**

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'. IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. IFRIC 11 has been implemented with effect from 1 January 2008. The retrospective application of IFRIC 11 affected the Group's equity position as of 1 January 2007 and 31 December 2007. The impact at 1 January 2007 amounts to a credit of EUR 24 million and at 31 December 2007 to a credit of EUR 35 million compared to the amounts presented in the financial statements of NIBC Bank N.V. for the year ended 31 December 2007.
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group does not have a surplus and therefore this interpretation does not have a material impact on NIBC's financial position.
- IFRIC 12, 'Service concession arrangements'. IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. The application of this interpretation does not have a material impact on the Group's financial statements.

**(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group**

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 July 2008 or later periods, but the Group has not early adopted them:

- IFRS 8, 'Operating segments' (effective 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The expected impact is still being assessed in detail by management.
- IAS 23 (Amendment), 'Borrowing costs'. The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. NIBC will apply IAS 23 (Amended) from 1 January 2009, but the Standard is currently not applicable to NIBC as NIBC has no qualifying assets.
- IFRIC 13, 'Customer loyalty programmes' (effective 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is not relevant to NIBC's operations because NIBC does not operate any loyalty programmes.
- IAS 32 and IAS 1 (Amendment) Puttable financial instruments and obligations arising on liquidation (effective 1 January 2009) requires some financial instruments that meet the definition of a financial liability to be classified as equity. Management is currently reviewing the requirements of the amendment of IAS 32 and IAS 1 to determine whether it will have a material impact on NIBC's financial position.
- IFRS 3 (Revision) 'Business Combinations' (effective 1 July 2009). The objective of this IFRS is to enhance the relevance, reliability and comparability of the information that an entity provides in its financial statements about a business combination and its effects. It does that by establishing principles and requirements for how an acquirer:
  - a) recognises and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree;
  - b) recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and
  - c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.Management is currently reviewing the requirements of the revised IFRS 3 to determine whether it will have a material impact on NIBC's financial position.
- IAS 27 (Amendment) Consolidated and Separate Financial Statements (effective 1 July 2009). Management is currently reviewing the requirements of the amendment of IAS 27 to determine whether it will have a material impact on NIBC's financial position;
- IFRS 2 (Amendment) 'Share-based Payments: Vesting conditions and cancellations' (effective 1 January 2009). Management is currently reviewing the requirements of the amendments of IFRS 2 to determine whether it will have a material impact on NIBC's financial position.
- IFRS 1 and IAS 27 (Amendment) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009). Management is currently reviewing the requirements of the amendment of IFRS 1 and IAS 27 to determine whether it will have a material impact on NIBC's financial position.
- Improvements to IFRSs (effective 1 July 2009). Management is currently reviewing the improvements to IFRSs to determine whether it will have a material impact on NIBC's financial position.

## **Most significant critical accounting estimates and judgements**

NIBC Bank N.V. makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Fair value of certain financial instruments**

The process of determining fair value for illiquid instruments using valuation models may require estimation of the expected maturity of an instrument (and therefore the expected cash flows), certain pricing parameters or other assumptions or model characteristics. Although NIBC calibrates its valuation models against industry standards and observable transaction prices, the calculation of fair value is an inherently subjective process, particularly when data on observable transactions is sparse.

At 30 June 2008, market conditions were characterized by the continued illiquidity in credit markets. In these market conditions, the estimation of the fair value of NIBC's residential mortgage loans, corporate loans and its own liabilities designated at Fair Value through Profit or Loss is highly judgmental and necessarily subjective, given the absence of market transactions and other observable market data. Consequently, the ranges within which NIBC has estimated the fair value of these portfolios have widened significantly.

### **Own liabilities designated at Fair Value through Profit or Loss**

The valuation of liabilities at Fair Value through Profit or Loss is sensitive to the estimated credit spread used to discount future expected cash flows. At 30 June 2008, a 10 basis point change in the weighted average credit spread used to discount future expected cash flows would increase or decrease profit after tax from continuing operations by EUR 11 million (31 December 2007: EUR 14 million). The credit spread used to revalue these liabilities is not directly observable because NIBC's funding is not actively traded and NIBC has not executed new benchmark transactions. Consequently, the credit spread was estimated taking into account observable data on market indices, debt issuances by other financial institutions and management estimates made by NIBC Treasury. The determination of an appropriate credit spread is necessarily a subjective matter.

### **Residential mortgages**

The most significant unobservable parameters used in the valuation are the applicable credit spreads, prepayment rate estimates and the applicable discount rate loaded for prepayment risk.

The determination of the applicable credit spread, prepayment rates and a spread for prepayment risk requires NIBC to make subjective judgments. A one basis point shift in either direction of the credit spreads across the mortgage portfolio would have had either a positive or a negative impact as of 30 June 2008 of approximately EUR 2.7 million (31 December 2007: EUR 2.1 million) on the fair value of the mortgages. A 1% point shift in the assumption NIBC makes about expected prepayments would have had an impact as of 30 June 2008 of approximately EUR 12.8 million (31 December 2007: EUR 11.2 million) on the fair value of the mortgages.

## 1. SEGMENT REPORT

### BUSINESS SEGMENTS

	CONTINUED OPERATIONS													
	CORPORATE FINANCE		FINANCIAL MARKETS		REAL ESTATE MARKETS		INVESTMENT MANAGEMENT		PRINCIPAL INVESTMENTS		CORPORATE CENTER		TOTAL	
	for the six months ended 30/6		for the six months ended 30/6		for the six months ended 30/6		for the six months ended 30/6		for the six months ended 30/6		for the six months ended 30/6		for the six months ended 30/6	
In EUR millions	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
NET INTEREST INCOME	49.3	67.3	14.2	(8.0)	32.2	33.8	0.5	0.7	2.0	7.6	(0.3)	7.7	97.9	109.1
NET FEE AND COMMISSION INCOME	18.7	29.1	0.3	(3.9)	0.5	4.5	13.7	17.3	(6.7)	(6.7)	-	-	26.5	40.3
DIVIDEND INCOME	0.1	1.6	20.2	20.9	-	-	-	-	8.1	24.0	-	-	28.4	46.5
NET TRADING INCOME	2.9	5.4	18.8	31.0	34.4	1.5	0.2	-	1.1	-	-	-	57.4	37.9
GAINS LESS LOSSES FROM FINANCIAL ASSETS	1.2	-	(2.0)	-	-	-	-	-	28.9	19.3	-	-	28.1	19.3
SHARE IN PROFIT OF ASSOCIATES	6.4	(0.5)	-	(0.1)	-	-	-	-	0.3	0.2	-	-	6.7	(0.4)
OTHER OPERATING INCOME	-	0.1	0.1	0.7	-	-	0.3	0.1	0.7	0.9	0.4	0.6	1.5	2.4
<b>OPERATING INCOME</b>	<b>78.6</b>	<b>103.0</b>	<b>51.6</b>	<b>40.6</b>	<b>67.1</b>	<b>39.8</b>	<b>14.7</b>	<b>18.1</b>	<b>34.4</b>	<b>45.3</b>	<b>0.1</b>	<b>8.3</b>	<b>246.5</b>	<b>255.1</b>
<b>OPERATING EXPENSES</b>	<b>36.5</b>	<b>36.4</b>	<b>16.7</b>	<b>13.8</b>	<b>13.8</b>	<b>12.3</b>	<b>12.3</b>	<b>14.1</b>	<b>1.0</b>	<b>5.7</b>	<b>15.8</b>	<b>23.0</b>	<b>96.1</b>	<b>105.3</b>
IMPAIRMENT OF FINANCIAL ASSETS	23.4	(0.6)	-	-	-	-	-	-	0.1	(0.4)	-	-	23.5	(1.0)
<b>TOTAL EXPENSES</b>	<b>59.9</b>	<b>35.8</b>	<b>16.7</b>	<b>13.8</b>	<b>13.8</b>	<b>12.3</b>	<b>12.3</b>	<b>14.1</b>	<b>1.1</b>	<b>5.3</b>	<b>15.8</b>	<b>23.0</b>	<b>119.6</b>	<b>104.3</b>
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>18.7</b>	<b>67.2</b>	<b>34.9</b>	<b>26.8</b>	<b>53.3</b>	<b>27.5</b>	<b>2.4</b>	<b>4.0</b>	<b>33.3</b>	<b>40.0</b>	<b>(15.7)</b>	<b>(14.7)</b>	<b>126.9</b>	<b>150.8</b>
TAX	2.9	17.1	2.3	0.5	13.5	7.0	(0.2)	1.0	(1.1)	0.9	(0.5)	(7.2)	16.9	19.3
<b>PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>15.8</b>	<b>50.1</b>	<b>32.6</b>	<b>26.3</b>	<b>39.8</b>	<b>20.5</b>	<b>2.6</b>	<b>3.0</b>	<b>34.4</b>	<b>39.1</b>	<b>(15.2)</b>	<b>(7.5)</b>	<b>110.0</b>	<b>131.5</b>
<b>AVERAGE ALLOCATED ECONOMIC CAPITAL</b>	<b>500</b>	<b>600</b>	<b>325</b>	<b>300</b>	<b>275</b>	<b>200</b>	<b>28</b>	<b>50</b>	<b>173</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,301</b>	<b>1,400</b>
<b>AVERAGE UNALLOCATED ECONOMIC CAPITAL</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>143</b>
<b>INTERSEGMENT OPERATING INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>7</b>	<b>(5)</b>	<b>(5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SEGMENT ASSETS</b> (as at 30 June 2008 and 31 December 2007)	<b>6,501</b>	<b>7,103</b>	<b>7,950</b>	<b>10,286</b>	<b>13,363</b>	<b>13,706</b>	<b>-</b>	<b>-</b>	<b>466</b>	<b>414</b>	<b>368</b>	<b>320</b>	<b>28,648</b>	<b>31,829</b>
<b>SEGMENT LIABILITIES</b> (as at 30 June 2008 and 31 December 2007)	<b>6,139</b>	<b>6,763</b>	<b>7,758</b>	<b>9,794</b>	<b>12,618</b>	<b>13,050</b>	<b>-</b>	<b>-</b>	<b>440</b>	<b>394</b>	<b>96</b>	<b>270</b>	<b>27,051</b>	<b>30,271</b>

## **Explanatory remarks to Segment Report**

In 2008, the return on average economic capital and unallocated capital was increased from 2.75% in the first half of 2007 to 4.00% in the first half of 2008.

In 2007 the SBU Corporate Center derived net interest income from certain strategic interest rate mismatch positions and interest expenses on hybrid Tier-1 and subordinated loans. As of the 1 January 2008 these interest income and expenses are reported in the SBU Financial Markets. This net interest income reported in the SBU Corporate Center in the first half of 2007 was EUR 8 million, the comparable net interest income reported in SBU Financial Markets in the first half of 2008 was EUR 9 million.

The activities of NIBC Credit Management N.V. were reallocated in 2008 from the SBU Investment Management to the SBU Financial Markets. Total net profit from these activities were EUR 0.6 million in the SBU Investment Management in the first half year of 2007 and EUR -/ 0.8 million in the SBU Financial Markets in the first half year of 2008.

## **2. NET TRADING INCOME**

Net trading income in the first half year of 2008 of EUR 57 million reflects EUR 100 million of realised net gains on disposals of assets and liabilities (including repurchased liabilities) and EUR 43 million of net losses due to mark-to-market movements on assets and liabilities designated as Fair Value through Profit or Loss or as Trading.

### 3. GAINS LESS LOSSES FROM FINANCIAL ASSETS

In EUR millions	30-Jun-08	30-Jun-07
Gains less losses from equity investments available for sale	27	19
Gains less losses from equity investments fair value through profit or loss	3	-
Gains less losses from debt securities available for sale	(2)	-
	<b>28</b>	<b>19</b>

### 4. PERSONNEL EXPENSES

The year to date average number of FTEs decreased from 700 in June 2007 to 686 in June 2008.

## 5. TAX

In EUR millions	30-Jun-08	30-Jun-07
The tax (credit) / expense can be analysed as follows		
Profit before tax from continuing operations	127	151
Tax calculated at the nominal Dutch corporate tax rate of 25.5% (2007: 25.5%)	32	39
Effect of different tax rates in other countries	(1)	1
Impact of income not subject to tax	(18)	(21)
Impact of expenses not deductible for tax purposes	4	-
	<b>17</b>	<b>19</b>
Effective tax rate	13.4%	12.6%

## 6. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)

### Debt securities in issue structured

In EUR millions	30-Jun-08	30-Jun-07
Bonds and notes issued	<b>3,068</b>	<b>5,791</b>
The movement of debt securities in issue structured may be summarised as follows:		
<b>Opening balance 1 January</b>	4,152	4,680
Additions	9	1,695
Disposals	(858)	(546)
Changes in fair value	(195)	23
Exchange differences	(40)	(61)
<b>Closing balance 30 June</b>	<b>3,068</b>	<b>5,791</b>

**7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS  
(INCLUDING TRADING)**

**Own debt securities in issue**

In EUR millions	30-Jun-08	30-Jun-07
Bonds and notes issued	159	218
The movement of own debt securities in issue may be summarised as follows:		
<b>Opening balance 1 January</b>	215	-
Additions	40	221
Disposals	(95)	-
Changes in fair value	1	(3)
Exchange differences	(2)	-
<b>Closing balance 30 June</b>	<b>159</b>	<b>218</b>

**8. DEBT SECURITIES IN ISSUE**

**Own debt securities in issue**

In EUR millions	30-Jun-08	30-Jun-07
Bonds and notes issued	6,785	9,517
Fair value hedge adjustment	(22)	(53)
<b>Closing balance 30 June</b>	<b>6,763</b>	<b>9,464</b>
The movement of own debt securities in issue may be summarised as follows:		
<b>Opening balance 1 January</b>	9,035	9,334
Additions	369	1,963
Disposals	(2,511)	(1,646)
Other movements and exchange differences	(130)	(187)
<b>Closing balance 30 June</b>	<b>6,763</b>	<b>9,464</b>

**9. DEBT SECURITIES IN ISSUE**

**Debt securities in issue related to securitised mortgages**

In EUR millions	30-Jun-08	30-Jun-07
Bonds and notes issued	6,422	6,385
Fair value hedge adjustment	(2)	(8)
<b>Closing balance 30 June</b>	<b>6,420</b>	<b>6,377</b>
The movement of debt securities in issue related to securitised mortgages may be summarised as follows:		
<b>Opening balance 1 January</b>	7,214	7,219
Additions	34	37
Disposals	(817)	(877)
Other movements and exchange differences	(11)	(2)
<b>Closing balance 30 June</b>	<b>6,420</b>	<b>6,377</b>

## 10. SUBORDINATED LIABILITIES

### Amortised cost

In EUR millions	30-Jun-08	30-Jun-07
Subordinated liabilities - amortised cost	<b>226</b>	<b>246</b>
The movement of own debt securities in issue may be summarised as follows:		
<b>Opening balance 1 January</b>	236	255
Disposals	-	(7)
Exchange differences	(10)	(2)
<b>Closing balance 30 June</b>	<b>226</b>	<b>246</b>

## 11. SUBORDINATED LIABILITIES

### Fair value through profit or loss

In EUR millions	30-Jun-08	30-Jun-07
Subordinated liabilities - fair value through profit or loss	<b>423</b>	<b>510</b>
The movement of own debt securities in issue may be summarised as follows:		
<b>Opening balance 1 January</b>	497	433
Additions	1	101
Disposals	(9)	-
Changes in fair value	(55)	(17)
Exchange differences	(11)	(7)
<b>Closing balance 30 June</b>	<b>423</b>	<b>510</b>

## 12. CAPITAL AND SHARES

	30-Jun-08	30-Jun-07
<b>The number of authorised shares:</b>		
Number of authorised shares	218,937,500	218,937,500
Number of shares issued and fully paid	62,586,794	62,586,794
Par value per share	1.28	1.28
<b>Reconciliation of number of shares outstanding:</b>		
Opening balance 1 January	62,586,794	62,586,794
Additional shares issued	-	-
<b>Closing balance 30 June</b>	<b>62,586,794</b>	<b>62,586,794</b>

### 13. DISCONTINUED OPERATIONS

In 2007, NIBC Bank N.V. discontinued its US structured credit investments and trading business. The income statement and cash flow statement of these activities are displayed below.

#### Income statement

In EUR millions	30-Jun-08	30-Jun-07
NET INTEREST INCOME	-	8
NET FEE AND COMMISSION INCOME	-	(2)
DIVIDEND INCOME	-	-
NET TRADING INCOME	-	(189)
GAINS LESS LOSSES FROM FINANCIAL ASSETS	-	-
SHARE IN PROFIT OF ASSOCIATES	-	-
OTHER OPERATING INCOME	-	-
<b>OPERATING INCOME</b>	-	(183)
PERSONNEL EXPENSES	-	-
OTHER OPERATING EXPENSES	-	-
DEPRECIATION	-	-
<b>OPERATING EXPENSES</b>	-	-
IMPAIRMENT OF GOODWILL	-	-
IMPAIRMENT OF FINANCIAL ASSETS	-	-
<b>TOTAL EXPENSES</b>	-	-
<b>OPERATING PROFIT</b>	-	(183)
RESULT ON DISPOSAL OF SUBSIDIARIES	-	-
<b>PROFIT BEFORE TAX</b>	-	(183)
TAX	-	(47)
<b>PROFIT AFTER TAX</b>	-	(136)

#### Condensed Cash Flow statement

In EUR millions	30-Jun-08	30-Jun-07
<b>OPERATING ACTIVITIES</b>		
NET PROFIT FOR THE PERIOD	-	(136)
DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)	-	(20)
OPERATING ASSETS	-	308
OPERATING LIABILITIES	-	(152)
CASH FLOW FROM OPERATING ACTIVITIES DISCONTINUED OPERATIONS	-	-
<b>INVESTING ACTIVITIES</b>		
CASH FLOW FROM INVESTING ACTIVITIES DISCONTINUED OPERATIONS	-	-
<b>FINANCING ACTIVITIES</b>		
CASH FLOW FROM FINANCING ACTIVITIES DISCONTINUED OPERATIONS	-	-

## 14. RELATED PARTY TRANSACTIONS

### Transactions related to associates and joint ventures

As at 30 June 2008, NIBC had EUR 240 million of loans outstanding to its associates and joint ventures (31 December 2007: EUR 286 million). Besides interest income on these loans, NIBC earned EUR 1.0 million in fees from these associates and joint ventures in the first six months of 2008 (fees 2007: EUR 1.6 million).

At 30 June 2008, NIBC had EUR 26.5 million of loans granted to a joint venture in which 'NIBC Grondwaarde Fonds I' acquired a 50% equity stake in June 2008. 'NIBC Grondwaarde Fonds I', a wholly owned subsidiary of NIBC, that invests in land in Western Europa was launched in the second quarter of 2008. In NIBC's interim financial report the joint venture is classified as at Fair Value through Profit or Loss.

### Transactions involving NIBC's shareholders

In addition to the related party transactions disclosed in the annual financial statements for the year ended 31 December 2007, significant related party transactions executed in 2008 concern the following:

The loans advanced by NIBC to its parent and to entities controlled by its parent entity decreased in the second quarter of 2008 from EUR 1,005 million at 31 March 2008 to EUR 575 million at 30 June 2008 (31 December 2007: EUR 305 million). The proceeds of the rights issue by NIBC Holding N.V. to an amount of EUR 400 million were used to partially repay loans advanced by NIBC in the second quarter of 2008.

In the first half year of 2008, fees were paid to NIBC Holding N.V. of EUR 0.4 million (2007 first half year: EUR 0.9 million) related to asset management activities.

## 15. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

At any time NIBC has outstanding commitments to extend credit. Outstanding loan commitments have a commitment period that does not extend beyond the normal underwriting and settlement period of one to three months. Commitments extended to customers related to mortgages at fixed interest rates or fixed spreads are hedged with interest rate swaps recorded at fair value. These mortgage-related commitments are designated upon initial recognition as Fair Value through Profit or Loss.

NIBC provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years. Expirations are not concentrated in any period.

The contractual amounts of commitments (excluding mortgage commitments that are measured at Fair Value through Profit or Loss) and contingent liabilities are set out in the following table by category. In the table it is assumed that amounts are fully advanced.

The amounts for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed completely to perform as contracted.

In EUR millions	30-Jun-08	31-Dec-07
<i>Contract amount</i>		
Committed facilities with respect to corporate loan financing	1,552	2,380
Guarantees granted	360	588
Irrevocable letters of credit	67	79
	<b>1,979</b>	<b>3,047</b>

These commitments and contingent liabilities have off balance-sheet credit risk because only commitment/ origination fees and accruals for probable losses are recognised in the balance sheet until the commitments are fulfilled or expired. Many of the commitments and contingent liabilities will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows. NIBC does not expect any significant losses on these commitments and contingent liabilities.

## 16. LEGAL PROCEEDINGS

There were a number of legal proceedings outstanding against NIBC at 30 June 2008. No provision has been made for these proceedings, as legal advice indicates that it is unlikely that any significant loss will materialise.



## SUPPLEMENTARY FINANCIAL INFORMATION FOR THE 6 MONTHS ended 30 June 2008

NIBC Holding N.V.  
15 August 2008

### Disclaimer

Certain of the statements contained in this Supplementary Financial Information for the six months ended 30 June 2008 are statements of future expectations and other forward-looking statements. These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ from those in such statements due to, among other things, (i) general economic conditions including near absence of liquidity in credit markets, in particular in NIBC's core and niche markets, (ii) performance of financial markets, including developing markets, (iii) interest rate levels, (iv) credit spread levels, (v) currency exchange rates, (vi) general competitive factors, (vii) general changes in the valuation of assets (viii) changes in law and regulations, and (ix) changes in policies of governments and/or regulatory authorities. NIBC assumes no obligation to update any forward looking information contained in this document.

All figures are unaudited.

**Consolidated income statement**  
**For the period ended 30 June**

In EUR millions	30-Jun-08	30-Jun-07
NET INTEREST INCOME	98	119
NET FEE AND COMMISSION INCOME	29	43
DIVIDEND INCOME	28	46
NET TRADING INCOME	(282)	(152)
GAINS LESS LOSSES FROM FINANCIAL ASSETS	28	19
SHARE IN PROFIT OF ASSOCIATES	7	3
OTHER OPERATING INCOME	1	2
<b>OPERATING INCOME</b>	<b>(91)</b>	<b>80</b>
PERSONNEL EXPENSES	65	75
OTHER OPERATING EXPENSES	31	30
DEPRECIATION	4	6
<b>OPERATING EXPENSES</b>	<b>100</b>	<b>111</b>
IMPAIRMENT OF FINANCIAL ASSETS	24	(1)
<b>TOTAL EXPENSES</b>	<b>124</b>	<b>110</b>
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(215)</b>	<b>(30)</b>
TAX	(70)	(34)
<b>NET PROFIT / (LOSS)</b>	<b>(145)</b>	<b>4</b>
RESULT ATTRIBUTABLE TO MINORITY INTEREST	1	1
<b>NET PROFIT / (LOSS) ATTRIBUTABLE TO PARENT SHAREHOLDERS</b>	<b>(146)</b>	<b>3</b>

## Consolidated Balance Sheet

In EUR millions	30-Jun-08	31-Dec-07
<b>ASSETS</b>		
<b>FINANCIAL ASSETS AT AMORTISED COST</b>		
- CASH AND BALANCES WITH CENTRAL BANKS	49	874
- DUE FROM OTHER BANKS	2,529	3,150
- LOANS AND RECEIVABLES	1,481	1,258
- SECURITISED LOANS	638	638
<b>FINANCIAL ASSETS AT AVAILABLE FOR SALE</b>		
- LOANS AND RECEIVABLES	4,286	5,164
- EQUITY INVESTMENTS	133	144
- DEBT SECURITIES	171	311
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- LOANS AND RECEIVABLES	1,138	1,374
- RESIDENTIAL MORTGAGES OWN BOOK	6,005	5,285
- SECURITISED RESIDENTIAL MORTGAGES	5,431	6,356
- DEBT SECURITIES	1,587	3,055
- STRUCTURED INVESTMENTS	1,140	1,212
- INVESTMENTS IN ASSOCIATES	180	147
- DERIVATIVE FINANCIAL ASSETS HELD FOR TRADING	2,709	2,633
- DERIVATIVE FINANCIAL ASSETS USED FOR HEDGING	178	85
INVESTMENTS IN ASSOCIATES	48	44
INTANGIBLE ASSETS	338	338
PROPERTY AND OTHER FIXED ASSETS (FOR OWN USE)	69	72
INVESTMENT PROPERTY	6	1
CURRENT TAX ASSETS	139	106
DEFERRED TAX ASSETS	29	20
OTHER ASSETS	260	142
<b>TOTAL ASSETS</b>	<b>28,544</b>	<b>32,409</b>

## Consolidated Balance Sheet

In EUR millions	30-Jun-08	31-Dec-07
<b>LIABILITIES</b>		
DUE TO OTHER BANKS	6,027	5,455
DEPOSITS FROM CUSTOMERS	871	1,284
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
- DEBT SECURITIES IN ISSUE STRUCTURED	3,068	4,152
- OWN DEBT SECURITIES IN ISSUE	159	215
- DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	2,467	2,291
- DERIVATIVE FINANCIAL LIABILITIES USED FOR HEDGING	60	53
<b>DEBT SECURITIES IN ISSUE</b>		
- OWN DEBT SECURITIES IN ISSUE	6,763	9,035
- DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES	6,420	7,214
OTHER LIABILITIES	137	252
DEFERRED TAX LIABILITIES	38	24
EMPLOYEE BENEFIT OBLIGATIONS	10	11
<b>SUBORDINATED LIABILITIES</b>		
- AMORTISED COST	226	236
- FAIR VALUE THROUGH PROFIT OR LOSS	423	497
<b>TOTAL LIABILITIES</b>	<b>26,669</b>	<b>30,719</b>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL	1,408	1,363
OTHER RESERVES	508	225
RETAINED EARNINGS	89	96
NET RESULT ALLOCATED TO PARENT SHAREHOLDERS	(146)	(5)
<b>TOTAL PARENT SHAREHOLDERS' EQUITY</b>	<b>1,859</b>	<b>1,679</b>
<b>MINORITY INTEREST</b>	<b>16</b>	<b>11</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,875</b>	<b>1,690</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>28,544</b>	<b>32,409</b>

## Consolidated statement of changes in shareholders' equity

In EUR millions	ATTRIBUTABLE TO PARENT SHAREHOLDERS					TOTAL
	SHARE CAPITAL	OTHER RESERVES (1)	RETAINED EARNINGS	NET RESULT	MINORITY INTEREST	
<b>BALANCE AT 1 JANUARY 2007</b>	1,363	369	79	288	0	2,099
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		(31)				(31)
REVALUATION LOANS AND RECEIVABLES		(55)				(55)
REVALUATION EQUITY INVESTMENTS		25				25
REVALUATION PROPERTY IN OWN USE		1				1
REVALUATION DEBT SECURITIES						-
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>	-	(60)	-	-	-	(60)
TRANSFER NET RESULT TO RETAINED EARNINGS			288	(288)		-
NET PROFIT				3		3
DIVIDEND			(61)			(61)
NIBC CHOICE EXPENSE			1			1
RELEASE LIABILITY NIBC CHOICE		7				7
OTHER MOVEMENTS			1			1
<b>BALANCE AT 30 JUNE 2007</b>	1,363	316	308	3	0	1,990
<b>BALANCE AT 1 JANUARY 2008</b>	1,363	225	96	(5)	11	1,690
NET RESULT ON CASH FLOW HEDGING INSTRUMENTS		(7)				(7)
REVALUATION LOANS AND RECEIVABLES		(34)				(34)
REVALUATION EQUITY INVESTMENTS		(32)				(32)
REVALUATION PROPERTY IN OWN USE		-				-
REVALUATION DEBT SECURITIES		(2)				(2)
<b>TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY</b>	-	(75)	-	-	-	(75)
TRANSFER NET RESULT TO RETAINED EARNINGS			(5)	5		-
PROCEEDS FROM SHARES ISSUED	45	359				404
NET PROFIT				(146)	1	(145)
CAPITAL CONTRIBUTION OF THIRD PARTIES IN A SUBSIDIARY CONTROLLED BY NIBC					4	4
NIBC CHOICE EXPENSE			1			1
RELEASE LIABILITY NIBC CHOICE		(1)				(1)
OTHER MOVEMENTS			(3)			(3)
<b>BALANCE AT 30 JUNE 2008</b>	1,408	508	89	(146)	16	1,875

(1) Other reserves include Share premium, Hedging reserve and Revaluation reserve.

## Shareholders' equity

The ultimate parent company is New NIB limited, a company incorporated in Ireland.

### Share capital

In EUR millions

**2008**      **2007**

This item can be categorised as follows:

Paid up capital	1,363	1,363
Shares issued	45	-
Balance as at 30 June	<u>1,408</u>	<u>1,363</u>

The number of authorised shares is specified below:

Number of authorised shares	500,000,000	500,000,000
Number of shares issued	147,354,619	102,402,346
Par value per share	EUR 1	EUR 1

Reconciliation of number of shares outstanding:

As at 1 January	102,783,356	102,402,346
Additional shares issued	44,571,263	-
As at 30 June	<u>147,354,619</u>	<u>102,402,346</u>

Out of the total number of shares issued as at 30 June 2008 by NIBC Holding N.V., 3,449,758 shares are held by Stichting Administratiekantoor NIBC Holding (30 June 2007: 2,675,660).