

# PRESS RELEASE

The Hague, 9 March 2010

Corporate Communications  
 T +31 (0)70 342 5625  
 E info@nibc.com  
 www.nibc.com

## Sharper focus on clients and efficiency deliver full year 2009 net profit of EUR 44 million at NIBC Bank

New client business tripled and profit doubled in H2 2009 compared to H1 2009

- Second half 2009 profit of EUR 29 million, up 93% compared with the first half. Q4 net profit up versus Q3 at EUR 16 million showing further signs of improving business conditions
- New business up strongly in the second half of the year with loans to clients three times higher than in H1 2009, fulfilling our expectations of increased business activity and validating the operational steps we took in 2008
- Continued improvement in net interest income as a result of new origination and lower cost of funds
- Strong liquidity and solvency positions with diversification of funding and Tier-1 ratio of 16.2%
- Continued to manage costs tightly with 15% reduction in 2009, on top of a reduction of 14% in 2008

*Jeroen Drost, Chief Executive Officer of NIBC*

“The second half of 2009 has seen a significant improvement in both business conditions and the performance of NIBC compared to the first half. The steps we took in 2008 to refocus our business and concentrate on our clients is paying off and this is reflected in our financial performance in the second half of 2009. We are currently in a strong position within our core markets which has resulted in a significant number of deals being completed in 2009 across the range of our activities including in M&A, financing and co-investing. The market is increasingly looking for deal structures with multiple partners and advisors that truly understand their businesses, which plays to our strengths. We will continue to focus on enhancing our relationships with clients and growing the business in an effective and efficient manner. Although the external economic environment remains uncertain, our delivery on our strategy and the solid foundation we have established give me confidence in NIBC going forward.”

### NIBC Bank key figures

In EUR millions	Full Year		H2	H1	H2	Q4	Q3	Q4
	2009	2008	2009	2009	2008	2009	2009	2008
Net result attributable to parent shareholder	44	92	29	15	(17)	16	13	(61)
Efficiency ratio	48%	54%	56%	41%	94%	56%	55%	-
Return on Equity	3%	6%	4%	2%	-2%	4%	3%	-16%

## Recent developments

### **Financial results NIBC Bank for 2009**

- Profit of EUR 29 million in the second half of 2009, up 93% compared to EUR 15 million in the first half and a loss of EUR 17 million in the second half of 2008. On a yearly basis profit decreased from EUR 92 million to EUR 44 million, whereby the profit of 2008 was more than fully realised in the (pre-Lehman) first half of 2008 (EUR 109 million). Q4 net profit of EUR 16 million (which includes a provision of EUR 6 million gross related to our share in the loss by Dutch banks from the bankruptcy of DSB Bank), compared to EUR 13 million in the third quarter and a net loss of EUR 61 million in the comparable quarter of the previous year, resulted in the fourth consecutive quarter of net profit.
- Operational performance is clearly picking up with positive results across business lines and expectations for future business development are improving.
- In line with expectations, net interest income continued to improve as a result of new origination and lower cost of funds. New origination increased strongly in the second half of the year, and was three times higher than in the first half of the year.
- The level of impairments of corporate loans in the second half of 2009 is significantly lower than in the first half of the year, but we continue to remain prudent regarding the impact of potential future impairments as a result of the volatile economic environment.
- Capital ratios remained at strong levels in 2009: BIS ratio of 18.4%, Tier-1 ratio of 16.2% and core Tier-1 ratio of 13.6%.

### **Strategy**

- NIBC is focused on its core strengths and its mission: to be the bank of choice for decisive financial moments.
- For NIBC, 2009 was all about sharpening the focus on its clients. The strength of the bank lies in financing, advising and co-investing with its core clients in the Benelux and Germany and in clearly defined international asset financing classes. NIBC's relatively small size enables sector and product specialists to work closely together and offer tailor-made financial solutions to clients.
- As a result of this continued client focus approximately 90% of NIBC's portfolio is now client related. The bank has continued to focus on further improving efficiency, reducing operating expenses and maintaining its strong efficiency ratio.
- The Supervisory Board and Managing Board of NIBC have recently finalised the revised remuneration policy for the bank, thereby taking into account the various regulations and codes.
- To increase our focus on clients and market penetration a Merchant Banking Advisory Board, a German Beirat and non-executive Vice-Chairmen roles were initiated in 2009 and early 2010.

### **Transactions**

With business activity picking up, NIBC was involved in a number of important transactions across its key markets. Examples in the fourth quarter of 2009 include:

- NIBC M&A advised, inter alia, De Persgroep in the sale of NRC Handelsblad to Egeria/Het Gesprek; Super de Boer in the disposal to Jumbo; and a consortium of private investors in the EUR 376 million acquisition of the 'Rhea Portfolio' from ING REOFN.
- NIBC arranged EUR 700 million Senior Facilities for Jumbo, as well as EUR 120 million Senior Facilities and a EUR 27.5 million Orange Facility for Ordina; we also closed a structured funding transaction for Porsche Financial Services.

- NIBC European Infrastructure Fund acquired a stake in a 46MW Spanish solar portfolio from Gruppo Aldesa and also acquired a German onshore wind farm portfolio of 82 MW operating assets.
- On the leveraged finance side, we refinanced Continental Bakeries and Vanderlande Industries, both are NPM Capital portfolio companies.
- NIBC Shipping closed a USD 32 million facility for the Polish Steamship Group which is one of the largest dry bulk operators in Europe.
- Oil & Gas Services and Loan Syndications coordinated and closed a USD 200 million facility for SBM Offshore.
- Infrastructure & Renewables closed a transaction for Colonne, a joint venture company owned by Novec and RBCIF. The transaction comprised the acquisition of 139 transmission masts.

### Funding diversification

- In 2009, NIBC continued its focus on diversification of funding and maintained a strong liquidity position; NIBC Direct retail savings grew to EUR 3.7 billion at year-end 2009 and now makes up more than 20% of total funding.

### NIBC Bank profit & loss <sup>1</sup>

In EUR millions	Full Year		H2	H1	H2	Q4	Q3	Q4
	2009	2008	2009	2009	2008	2009	2009	2008
Net interest income	72	213	44	28	115	29	15	57
Net fee and commission income	32	43	12	19	16	9	4	8
Dividend income	30	50	8	22	21	1	7	10
Net trading income	207	84	72	136	26	28	43	5
Gains less losses from financial assets	(26)	(62)	10	(36)	(90)	16	(6)	(88)
Share in result of associates	5	8	2	3	1	1	1	1
Other operating income	1	2	-	1	-	-	-	-
<b>Operating income</b>	<b>321</b>	<b>337</b>	<b>147</b>	<b>173</b>	<b>91</b>	<b>84</b>	<b>64</b>	<b>(6)</b>
Personnel expenses	(81)	(108)	(44)	(38)	(45)	(22)	(22)	(17)
Other operating expenses	(65)	(66)	(34)	(30)	(36)	(22)	(12)	(19)
Depreciation and amortisation	(8)	(8)	(4)	(4)	(4)	(2)	(2)	(2)
<b>Operating expenses</b>	<b>(154)</b>	<b>(181)</b>	<b>(82)</b>	<b>(72)</b>	<b>(85)</b>	<b>(47)</b>	<b>(36)</b>	<b>(38)</b>
Impairment of corporate loans	(59)	(42)	(18)	(41)	(18)	(8)	(10)	(17)
Impairment of other interest bearing assets	(65)	(20)	(15)	(51)	(20)	(8)	(7)	(20)
<b>Total expenses</b>	<b>(278)</b>	<b>(242)</b>	<b>(115)</b>	<b>(163)</b>	<b>(123)</b>	<b>(63)</b>	<b>(52)</b>	<b>(75)</b>
<b>Result before tax</b>	<b>42</b>	<b>95</b>	<b>33</b>	<b>10</b>	<b>(32)</b>	<b>21</b>	<b>12</b>	<b>(82)</b>
Tax	1	(1)	(3)	4	16	(4)	1	20
<b>Result after tax</b>	<b>43</b>	<b>93</b>	<b>30</b>	<b>14</b>	<b>(17)</b>	<b>17</b>	<b>13</b>	<b>(61)</b>
Result attributable to minority interest	1	(1)	(1)	2	-	(1)	-	-
<b>Net result attributable to parent shareholder</b>	<b>44</b>	<b>92</b>	<b>29</b>	<b>15</b>	<b>(17)</b>	<b>16</b>	<b>13</b>	<b>(61)</b>

1) All figures exclude the consolidation effect of controlled non-financial investments (see Condensed Financial Report for more information)

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

### Income and expenses for 2009

- As a result of business pick up, net interest income improved substantially as expected in the second half of 2009 after reaching its lowest point in Q2 2009. Fee income increased in Q4 2009 in line with the increase in business activities. Net trading income in 2009 consisted of, among others, mark-to-market results on loans and debt investments and profits on client related trading activities. Operating income declined by approximately 5% in 2009 compared to 2008. Gains less losses from financial assets improved substantially in Q4 2009.
- Continued focus on operational efficiency resulted in a reduction of operating expenses by 15% in 2009 compared to 2008, on top of a reduction of 14% in 2008. We were able to maintain a strong efficiency ratio of 48%.

### NIBC Bank other key figures

	31-Dec 2009	30-Jun 2009	31-Dec 2008
BIS ratio	18.4%	17.0%	18.9%
Tier-1 ratio	16.2%	15.3%	16.6%
Core Tier-1 ratio	13.6%	12.7%	13.5%
Shareholder's equity (in EUR million)	1,696	1,647	1,638
Number of FTEs (end of period)	644	637	625
Risk weighted assets (in EUR billion)	11.8	12.2	11.5

### Shareholder's equity and capital ratios

- In 2009, NIBC Bank's shareholder's equity increased to EUR 1,696 million. The increase of EUR 58 million primarily stems from the net profit of EUR 44 million.
- The capital ratios of NIBC Bank remained in 2009 at the already high levels of 2008 (BIS ratio of 18.4%, Tier-1 ratio of 16.2% and a core Tier-1 ratio of 13.6%) and are well above the industry standard.

### NIBC Holding results

- NIBC Holding is the parent company of NIBC Bank.
- NIBC Holding reported a loss of EUR 9 million in the fourth quarter of 2009, mainly as a result of write downs on the US commercial real estate securities portfolio. The total consolidated net loss in 2009 for NIBC Holding was EUR 22 million.
- The US portfolio has a carrying value of EUR 104 million as at 31 December 2009.
- The capital ratios of NIBC Holding also remained strong with a BIS ratio of 17.7%, a Tier-1 ratio of 15.5% and a core Tier-1 ratio of 12.8%.

## Two pillar strategy: Merchant Banking and Specialised Finance

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

### Merchant Banking

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

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

In EUR millions	Full Year		H2	H1	H2	Q4	Q3	Q4
	2009	2008	2009	2009	2008	2009	2009	2008
Net interest income	55	48	30	26	24	17	14	13
Net fee and commission income	26	33	10	16	11	6	4	5
Dividend income	4	10	1	3	2	1	-	1
Net trading income	-	(3)	6	(6)	(3)	1	5	-
Gains less losses from financial assets	(22)	(60)	10	(31)	(89)	16	(6)	(87)
Share in result of associates	2	3	-	1	1	-	-	1
Other operating income	1	1	-	1	-	-	-	-
<b>Operating income</b>	<b>66</b>	<b>32</b>	<b>57</b>	<b>9</b>	<b>(55)</b>	<b>40</b>	<b>17</b>	<b>(67)</b>
<b>Operating expenses</b>	<b>(58)</b>	<b>(73)</b>	<b>(32)</b>	<b>(27)</b>	<b>(33)</b>	<b>(17)</b>	<b>(15)</b>	<b>(14)</b>
Impairment of corporate loans	(25)	(22)	(5)	(20)	(10)	(1)	(3)	(9)
Impairment of other interest bearing assets	(46)	(20)	(3)	(44)	(20)	(3)	-	(21)
<b>Total expenses</b>	<b>(129)</b>	<b>(115)</b>	<b>(39)</b>	<b>(90)</b>	<b>(63)</b>	<b>(21)</b>	<b>(18)</b>	<b>(44)</b>
<b>Result before tax</b>	<b>(63)</b>	<b>(83)</b>	<b>18</b>	<b>(81)</b>	<b>(117)</b>	<b>19</b>	<b>(1)</b>	<b>(111)</b>
Tax	17	28	(1)	18	28	(2)	1	23
<b>Result after tax</b>	<b>(47)</b>	<b>(55)</b>	<b>17</b>	<b>(63)</b>	<b>(90)</b>	<b>17</b>	<b>0</b>	<b>(87)</b>

### Financial Results

- Strong origination and engagement with clients drove a profit of EUR 17 million in the second half of 2009 within Merchant Banking, compared with a loss of EUR 63 million in the first half. The sequential performance rose from breakeven in Q3 to EUR 17 million in Q4 2009, marking the fourth consecutive quarter of improving results with continuing positive indicators going forward.
- While still challenging and difficult to predict, gains less losses from financial assets, which relate to NIBC's equity investments portfolio, saw positive results in the fourth quarter of 2009.
- Operating expenses decreased by 20% in 2009 compared to 2008.
- The level of impairments was clearly lower in the second half of 2009 than in the first half of 2009, but we remain cautious for the future.

## Specialised Finance

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

In EUR millions	Full Year		H2	H1	H2	Q4	Q3	Q4
	2009	2008	2009	2009	2008	2009	2009	2008
Net interest income	16	165	14	2	91	13	1	44
Net fee and commission income	5	10	2	3	5	2	-	3
Dividend income	26	40	7	19	20	-	7	10
Net trading income	207	87	65	142	29	27	39	5
Gains less losses from financial assets	(5)	(2)	-	(5)	(1)	-	-	(1)
Share in result of associates	3	4	1	2	-	1	-	-
Other operating income	1	1	-	1	-	-	-	-
<b>Operating income</b>	<b>255</b>	<b>305</b>	<b>91</b>	<b>164</b>	<b>145</b>	<b>44</b>	<b>47</b>	<b>61</b>
<b>Operating expenses</b>	<b>(96)</b>	<b>(108)</b>	<b>(51)</b>	<b>(45)</b>	<b>(52)</b>	<b>(30)</b>	<b>(21)</b>	<b>(24)</b>
Impairment of corporate loans	(34)	(20)	(13)	(21)	(8)	(6)	(7)	(8)
Impairment of other interest bearing assets	(19)	-	(12)	(7)	-	(5)	(7)	-
<b>Total expenses</b>	<b>(149)</b>	<b>(128)</b>	<b>(76)</b>	<b>(73)</b>	<b>(60)</b>	<b>(42)</b>	<b>(34)</b>	<b>(32)</b>
<b>Result before tax</b>	<b>106</b>	<b>178</b>	<b>15</b>	<b>91</b>	<b>85</b>	<b>2</b>	<b>13</b>	<b>29</b>
Tax	(16)	(29)	(2)	(14)	(12)	(2)	-	(3)
<b>Result after tax</b>	<b>90</b>	<b>148</b>	<b>13</b>	<b>77</b>	<b>73</b>	<b>0</b>	<b>13</b>	<b>26</b>

## Financial Results

- Loans to clients more than tripled in the second half of the year compared with the first half following an increase in client demand. A continuation of this development combined with decreasing funding costs and a declining liquidity buffer will result in a further steady improvement of net interest income in the coming period.
- A significant portion of NIBC's balance sheet is accounted for as fair value through profit or loss. This means that as a result of credit spread movements, net trading income is affected by mark-to-market movements on both assets and liabilities. Net trading income in 2009 consists of, among others, mark-to-market effects on loans and debt investments, repurchases of funding and profits on client related trading activities.
- Operating expenses fell by 12% in 2009 compared to 2008.
- Only EUR 6 million of impairments were taken on the corporate loan portfolio in the fourth quarter of 2009, but we remain cautious for the future. EUR 5 million of impairments of other interest bearing assets in the fourth quarter of 2009 relate to impairments on debt investments.

/ / / / / / / /

## Profile of NIBC

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

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

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

NIBC celebrates its 65th anniversary this year – a suitable moment to reflect on how we have built on our strengths and our expertise in credit, especially in long-term asset finance, since our origins in 1945.

For more information, please contact

	<b>Press:</b>	<b>Investors and analysts:</b>
	Corporate Communications	Investor Relations
Phone:	+31 (0)70 342 56 25	+31 (0)70 342 9836
Email:	<a href="mailto:info@nibc.com">info@nibc.com</a>	<a href="mailto:toine.teulings@nibc.com">toine.teulings@nibc.com</a>
Web:	<a href="http://www.nibc.com">www.nibc.com</a>	

## Enclosures

- Condensed Financial Report for the year ended 31 December 2009 of NIBC Bank N.V.
- Supplementary Financial Information for the year ended 31 December 2009 of NIBC Holding N.V.

## Disclaimer

The condensed financial report and the supplementary financial information as included in the appendix to this press release have not been subject to audit or review. However the financial information included therein is derived from the audited 2009 financial statements of NIBC Bank N.V. and NIBC Holding N.V.

In line with other non-listed financial institutions, NIBC will publish annual and semi annual results as of 2010.



CONDENSED FINANCIAL REPORT  
for the year ended 31 December 2009

NIBC Bank N.V.  
9 March 2010

## Table of contents

Consolidated income statement  
Consolidated statement of comprehensive income  
Consolidated balance sheet  
Consolidated statement of changes in shareholder's equity  
Condensed consolidated statement of cash flows  
Accounting Policies

Index to the notes of the Condensed financial report

### *Income Statement*

1. Segment report
2. Net trading income
3. Gains less losses from financial assets
4. Personnel expenses
5. Impairments of corporate loans and other interest bearing assets
6. Tax

### *Statement of financial position*

7. Financial liabilities at amortised cost - Own debt securities in issue
8. Financial liabilities at amortised cost - Debt securities in issue related to securitised mortgages
9. Financial liabilities - designated at fair value through profit or loss - Own debt securities in issue
10. Financial liabilities - designated at fair value through profit or loss - Debt securities in issue structured
11. Subordinated liabilities - amortised cost
12. Subordinated liabilities - designated at fair value through profit or loss

### *Additional information*

13. Impact reclassification financial assets on comprehensive income
14. Capital and shares
15. Related party transactions
16. Legal proceedings
17. Commitments and contingent assets & liabilities
18. Subsequent events

**Consolidated income statement  
for the year ended 31 December 2009**

IN EUR MILLIONS	Note	2009	2008
Net interest income		64	207
Net fee and commission income		32	43
Dividend income		30	50
Net trading income	2	205	81
Gains less losses from financial assets	3	(19)	(57)
Share in result of associates		5	7
Other operating income		35	40
<b>OPERATING INCOME</b>		<b>352</b>	<b>371</b>
Personnel expenses	4	99	125
Other operating expenses		71	73
Depreciation and amortisation		17	17
<b>OPERATING EXPENSES</b>		<b>187</b>	<b>215</b>
Impairments of corporate loans	5	59	42
Impairments of other interest bearing assets	5	65	20
<b>IMPAIRMENTS</b>		<b>124</b>	<b>62</b>
<b>TOTAL EXPENSES</b>		<b>311</b>	<b>277</b>
<b>PROFIT BEFORE TAX</b>		<b>41</b>	<b>94</b>
Tax	6	(2)	1
<b>PROFIT AFTER TAX</b>		<b>43</b>	<b>93</b>
Result attributable to minority interests		(1)	1
<b>NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDER</b>		<b>44</b>	<b>92</b>

**Consolidated statement of comprehensive income  
for the year ended 31 December 2009**

IN EUR MILLIONS	2009			2008		
	Before tax	Tax (charge credit)	After tax	Before tax	Tax (charge credit)	After tax
<b>PROFIT FOR THE PERIOD</b>	<b>41</b>	<b>(2)</b>	<b>43</b>	<b>94</b>	<b>1</b>	<b>93</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Net result on cash flow hedging instruments	(47)	(12)	(35)	54	14	40
Revaluation loans and receivables	49	12	37	(18)	(4)	(14)
Revaluation equity investments	(11)	(2)	(9)	(36)	-	(36)
Revaluation debt investments	17	3	14	(15)	(3)	(12)
Revaluation property, plant and equipment	-	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>	<b>8</b>	<b>1</b>	<b>7</b>	<b>(15)</b>	<b>7</b>	<b>(22)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>49</b>	<b>(1)</b>	<b>50</b>	<b>79</b>	<b>8</b>	<b>71</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>						
Parent shareholder	50	(1)	51	78	8	70
Minority interests	(1)	-	(1)	1	-	1
	<b>49</b>	<b>(1)</b>	<b>50</b>	<b>79</b>	<b>8</b>	<b>71</b>

**Consolidated balance sheet**  
**At 31 December**

IN EUR MILLIONS	2009	2008
<b>Assets</b>		
<b>FINANCIAL ASSETS AT AMORTISED COST</b>		
Cash and balances with central banks	1,353	1,113
Due from other banks	3,094	1,770
Loans and receivables		
Loans	6,633	6,303
Debt investments	581	738
Securitised loans	616	630
<b>FINANCIAL ASSETS AT AVAILABLE FOR SALE</b>		
Equity investments	94	108
Debt investments	714	35
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
Loans	1,103	1,136
Residential mortgages own book	5,817	6,201
Securitised residential mortgages	4,783	5,250
Debt investments	804	732
Enhanced investments	53	1,079
Equity investments (including investments in associates)	215	188
Derivative financial assets held for trading	2,816	3,137
Derivative financial assets used for hedging	242	215
<b>OTHER</b>		
Investments in associates (equity method)	35	40
Intangible assets	40	44
Property, plant and equipment	101	102
Investment property	28	30
Current tax	14	6
Other assets	53	80
<b>TOTAL ASSETS</b>	<b>29,189</b>	<b>28,937</b>

**Consolidated balance sheet**  
**At 31 December**

IN EUR MILLIONS	2009	2008
<b>Liabilities</b>		
<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>		
Due to other banks	2,601	5,537
Deposits from customers	4,332	2,293
Own debt securities in issue	7	8,836
Debt securities in issue related to securitised mortgages	8	5,231
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
Own debt securities in issue	9	85
Debt securities in issue structured	10	2,453
Derivative financial liabilities held for trading	3,133	3,439
Derivative financial liabilities used for hedging	80	42
<b>OTHER</b>		
Other liabilities	214	158
Deferred tax	22	39
Employee benefits	5	8
<b>SUBORDINATED LIABILITIES</b>		
Amortised cost	11	132
Fair value through profit or loss	12	369
<b>TOTAL LIABILITIES</b>	<b>27,493</b>	<b>27,299</b>
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	14	80
Other reserves	281	274
Retained earnings	1,273	1,175
Net result attributable to parent shareholder	44	92
<b>TOTAL PARENT SHAREHOLDER'S EQUITY</b>	<b>1,678</b>	<b>1,621</b>
Minority interests	18	17
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>1,696</b>	<b>1,638</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>29,189</b>	<b>28,937</b>

## Consolidated statement of changes in shareholder's equity

IN EUR MILLIONS	ATTRIBUTABLE TO PARENT SHAREHOLDER				Total	Minority interests	Total shareholder's equity
	Share capital	Other reserves <sup>1</sup>	Retained earnings	Net profit			
<b>BALANCE AT 1 JANUARY 2008</b>	80	296	1,073	98	1,547	11	1,558
Transfer net profit to retained earnings	-	-	98	(98)	-	-	-
Total comprehensive income for the year ended 31 December 2008	-	(22)	-	92	70	1	71
Capital contribution of third parties in a subsidiary controlled by NIBC	-	-	-	-	-	5	5
Capital contribution share based payments	-	-	4	-	4	-	4
<b>BALANCE AT 31 DECEMBER 2008</b>	<b>80</b>	<b>274</b>	<b>1,175</b>	<b>92</b>	<b>1,621</b>	<b>17</b>	<b>1,638</b>

IN EUR MILLIONS	ATTRIBUTABLE TO PARENT SHAREHOLDERS				Total	Minority interests	Total shareholder's equity
	Share capital	Other reserves <sup>1</sup>	Retained earnings	Net profit			
<b>BALANCE AT 1 JANUARY 2009</b>	80	274	1,175	92	1,621	17	1,638
Transfer net profit to retained earnings	-	-	92	(92)	-	-	-
Total comprehensive income for the year ended 31 December 2009	-	7	-	44	51	(1)	50
Capital contribution of third parties in a subsidiary controlled by NIBC	-	-	-	-	-	2	2
Capital contribution share based payments	-	-	6	-	6	-	6
<b>BALANCE AT 31 DECEMBER 2009</b>	<b>80</b>	<b>281</b>	<b>1,273</b>	<b>44</b>	<b>1,678</b>	<b>18</b>	<b>1,696</b>

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

**Condensed consolidated statement of cash flows  
for the year ended 31 December 2009**

IN EUR MILLIONS	2009	2008
Cash flows from operating activities	(379)	2,679
Cash flows from investing activities	(8)	(127)
Cash flows from financing activities	1,927	(4,187)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,540</b>	<b>(1,635)</b>

IN EUR MILLIONS	2009	2008
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>1,847</b>	<b>3,482</b>
Net increase/(decrease) in cash and cash equivalents	1,540	(1,635)
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>3,387</b>	<b>1,847</b>

IN EUR MILLIONS	2009	2008
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>		
Cash and balances with central banks	1,353	1,113
Due from other banks (maturity 3 months or less)	2,034	734
	<b>3,387</b>	<b>1,847</b>

## Accounting Policies

### General Information

*NIBC Bank N.V. (NIBC)*, together with its subsidiaries (NIBC or the group) is a Dutch bank that offers integrated solutions to corporate clients in the Benelux and Germany through a combination of advising, financing and co-investing. NIBC is also a meaningful player in a select number of clearly defined asset classes. It employs its expertise to provide asset financing in sectors such as corporate lending, leveraged finance, shipping, oil & gas services, infrastructure and renewables and commercial real estate. NIBC's clients are corporations, financial institutions, institutional investors, financial sponsors, family offices and entrepreneurial investors. NIBC has offices in The Hague, Brussels, Frankfurt, London and Singapore.

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

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

### Basis of preparation

The group's condensed financial report over the financial year 2009 should be read in conjunction with NIBC's consolidated financial statements for the year ended 31 December 2008. The same accounting policies and methods of computation are followed in this condensed financial report over the financial year 2009 as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2008, except, where applicable, for the impact for the adoption of the standards and interpretations described below.

*IAS 1 (Revised 2007) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 1 January 2009)*

The revised IAS 1 affects the presentation of owner changes in equity and of comprehensive income. Information is to be aggregated based on shared characteristics, specifically requiring disclosure of changes in equity arising from transactions with owners separate from other changes in equity. The standard requires the entity to present all items of recognised income and expenses including gains and losses either in one single statement or in two linked statements. In order to implement the revised IAS 1, NIBC presents two statements, a separate income statement displaying components of profit or loss and a second statement, the statement of comprehensive income, which begins with profit or loss and displays components of other comprehensive income. The owner changes in equity remain in the statement of changes in shareholder's equity.

*IFRS 7 (Amendment) 'Financial Instruments'- Disclosures (effective for annual periods beginning on or after 1 January 2009)*

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on NIBC's financial position.

Adoption of amendments to the following standards and interpretations applicable to this accounting period did not have an impact on the accounting policies, financial position or performance of NIBC:

IAS 23 (Amendment) 'Borrowing costs'; IFRS 2 (Amendment) 'Share-Based Payment: Vesting Conditions and Cancellations', Amendments to IAS 32 Financial Instruments, presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation, Amendments to IAS 39 and IFRS 7 Reclassification of Financial Assets: Effective Date and Transition, IFRIC 13 'Customer Loyalty Programmes', IFRIC 12 'Service Concession Arrangements', IFRIC 16 'Hedges of a Net Investment in A Foreign Operation', IFRIC 15 'Agreements for the Construction of Real Estate, IFRIC 9 and IAS 39 (Amendment) 'Embedded derivatives' and Improvements to IFRS issued in May 2008.

## 1. Segment report

The segment information has been prepared in accordance with IFRS 8, operating segments, which defines requirements for the disclosure of financial information of an entity's operating segments.

### Identification of segments

IFRS 8 requires operating segments to be identified on the basis of internal management reports on components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess segment performance.

NIBC Bank N.V. is comprised of the following operating segments:

- Merchant Banking; and
- Specialised Finance.

Segment information for these two operating segments is presented in these condensed financial report on the same basis as used for internal management reporting within NIBC.

Through the Merchant Banking business, NIBC advises, finances, and co-invests with its corporate clients in the Benelux and Germany. Coverage bankers maintain long-term relationships and provide strategic advice to NIBC's clients. Together with product specialists operating in multidisciplinary teams, client teams deliver a wide range of customised products and solutions, including M&A-related transactions (mergers, acquisitions, disposals and buyouts), capital & restructuring advisory, financing, derivative products, mezzanine and equity investments. Investment Management creates and manages funds that are open to third-party investors. Funds have been developed in the fields of private equity and mezzanine (in companies), infrastructure and real estate.

Specialised Finance provides asset and project financing in a select number of clearly-defined asset classes: corporate lending, leveraged finance, shipping, oil & gas services, infrastructure & renewables and commercial real estate. It structures, arranges, underwrites and distributes sophisticated international lending transactions for its clients and combines NIBC's expertise in specific asset classes with its balance sheet and capital markets access. Specialised Finance includes also the retail market and treasury activities. Retail markets activities include residential mortgage origination in the Netherlands and Germany on the basis of white labelling through a number of distribution partners and NIBC's online retail savings initiative, NIBC Direct.

IFRS 8 requires the disclosure of the information used by the chief operating decision maker to allocate resources and to assess performance. Management reporting within NIBC is based on IFRS. Segment reporting under IFRS 8 requires a presentation of the segment results based on management reporting methods and a reconciliation between the results of the operating segments and the condensed financial report.

The following table presents the results of the operating segments, including a reconciliation to the consolidated results under IFRS for the years ended 31 December 2009 and 2008.

IN EUR MILLIONS	Operating segments								Total (Condensed financial report)	
	Merchant Banking		Specialised Finance		Total (internal management report)		Consolidation effects <sup>1</sup>			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income	55	48	16	165	72	213	(8)	(6)	64	207
Net fee and commission income	26	33	5	10	32	43	-	-	32	43
Dividend income	4	10	26	40	30	50	-	-	30	50
Net trading income	-	(3)	207	87	207	84	(1)	(2)	205	81
Gains less losses from financial assets	(22)	(60)	(5)	(2)	(26)	(62)	7	4	(19)	(57)
Share in result of associates	2	3	3	4	5	8	-	(1)	5	7
Other operating income	1	1	1	1	1	2	34	39	35	40
<b>OPERATING INCOME</b>	<b>66</b>	<b>32</b>	<b>255</b>	<b>305</b>	<b>321</b>	<b>337</b>	<b>32</b>	<b>34</b>	<b>352</b>	<b>371</b>
<b>OPERATING EXPENSES</b>	<b>58</b>	<b>73</b>	<b>96</b>	<b>108</b>	<b>154</b>	<b>181</b>	<b>33</b>	<b>34</b>	<b>187</b>	<b>215</b>
Impairment of corporate loans	25	22	34	20	59	42	-	-	59	42
Impairment of other interest bearing assets	46	20	19	-	65	20	-	-	65	20
<b>IMPAIRMENTS</b>	<b>71</b>	<b>42</b>	<b>53</b>	<b>20</b>	<b>124</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>62</b>
<b>TOTAL EXPENSES</b>	<b>129</b>	<b>115</b>	<b>149</b>	<b>128</b>	<b>278</b>	<b>242</b>	<b>33</b>	<b>35</b>	<b>311</b>	<b>277</b>
<b>PROFIT BEFORE TAX</b>	<b>(63)</b>	<b>(83)</b>	<b>106</b>	<b>178</b>	<b>42</b>	<b>95</b>	<b>(1)</b>	<b>-</b>	<b>41</b>	<b>94</b>
Tax	(17)	(28)	16	29	(1)	1	(1)	-	(2)	1
<b>PROFIT AFTER TAX</b>	<b>(47)</b>	<b>(55)</b>	<b>90</b>	<b>148</b>	<b>43</b>	<b>93</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>93</b>
<b>AVERAGE ALLOCATED ECONOMIC CAPITAL</b>	<b>365</b>	<b>365</b>	<b>1,035</b>	<b>985</b>	<b>1,400</b>	<b>1,350</b>	<b>-</b>	<b>-</b>	<b>1,400</b>	<b>1,350</b>
<b>AVERAGE UNALLOCATED CAPITAL</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>198</b>	<b>76</b>	<b>198</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>198</b>
<b>SEGMENT ASSETS</b>	<b>2,788</b>	<b>2,674</b>	<b>26,272</b>	<b>26,122</b>	<b>29,060</b>	<b>28,796</b>	<b>129</b>	<b>141</b>	<b>29,189</b>	<b>28,937</b>
<b>SEGMENT LIABILITIES</b>	<b>2,626</b>	<b>2,523</b>	<b>24,747</b>	<b>24,651</b>	<b>27,373</b>	<b>27,174</b>	<b>120</b>	<b>125</b>	<b>27,493</b>	<b>27,299</b>

1. Concerning controlled non-financial companies included in the consolidation.

Transactions between segments are conducted on normal commercial terms and conditions. The funding requirements of each segment reflect funding at market interest rates. Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The items displayed under 'consolidation effects' refer to entities over which Merchant Banking has control. IFRS requires NIBC to consolidate these entities. The internal management report differs from this, as the investments in these entities are non strategic and the activities of these entities are non-financial. Therefore, in the income statement of Merchant Banking only NIBC's share in the net result of these entities is included in the line-item 'gains less losses from financial assets'. Subsequently, under 'consolidation effects' this is eliminated and replaced by the figures of these entities used in this condensed financial report of NIBC.

In the income statement of Merchant Banking and Specialised Finance the following allocations are made:

- All expenses relating to Risk Management, Corporate Center and the Managing Board are allocated to the two segments based on the number of direct FTEs in each segment. Total operating expenses relating to support and overhead amounted to EUR 63 million in 2009 (2008: EUR 74 million);
- Certain client-related portfolios are managed by Merchant Banking and Specialised Finance together; all related income and expenses of these portfolios (interest, fee and trading income, impairments and also related operating expenses) are therefore allocated on a 50/50 base to the two operating segments. Total operating income from these portfolios amounted to EUR 105 million in 2009 (2008: EUR 70 million), total operating expenses to EUR 5 million (2008: EUR 7 million) and impairments to EUR 50 million (2008: EUR 44 million);
- All income and expenses related to Treasury activities are included in Specialised Finance, with the exception of income from NIBC's strategic mismatch position, which is allocated equally to the two operating segments. Income from NIBC's strategic mismatch position amounted to EUR 28 million in 2009 (2008: EUR 23 million); and
- During 2009, an average of EUR 365 million of economic capital was allocated to Merchant Banking (2008: EUR 365 million), the remainder was allocated to Specialised Finance. The average before tax return on average economic capital for Merchant Banking was 3 % in 2009 (2008: 4%).

Besides the allocations mentioned above, there are no further inter-segment revenues and expenses in 2009 and 2008.

NIBC generated 99% of its revenues in the Netherlands (2008: 102%) and 1% abroad (2008: -2%). Total operating income of our international branches was negative in 2008.

## 2. Net trading income

Net trading income in 2009 of EUR 205 million reflects EUR 159 million of realised net gains on disposals of assets and liabilities (including repurchased liabilities) and EUR 46 million of net gains due to mark to market movements on assets and liabilities designated at held for trading or fair value through profit or loss.

## 3. Gains less losses from financial assets

IN EUR MILLIONS	2009	2008
<b>Equity investments</b>		
<b>GAINS LESS LOSSES FROM EQUITY INVESTMENTS (AVAILABLE FOR SALE):</b>		
Net gain/(losses) on disposal	1	9
Net revaluation gain/(losses) transferred from equity on disposal	1	26
Impairment losses equity investments	(9)	(65)
<b>INVESTMENTS IN ASSOCIATES (EQUITY METHOD)</b>		
Impairment losses investments in associates	(5)	-
Gains less losses from associates (fair value through profit or loss)	(7)	(24)
	<b>(19)</b>	<b>(54)</b>
<b>Debt investments</b>		
Gains less losses from debt investments (available for sale)	-	(3)
	-	(3)
	<b>(19)</b>	<b>(57)</b>

Impairment losses relating to debt investments (available for sale) are presented under impairments of corporate loans and other interest bearing assets (see note 5).

## 4. Personnel expenses

The average number of FTEs (excluding FTEs of non-financial companies included in the consolidation) decreased from 665 at 31 December 2008 to 638 at 31 December 2009.

## 5. Impairments of corporate loans and other interest bearing assets

IN EUR MILLIONS	2009	2008
<b>IMPAIRMENTS</b>		
Loans classified as amortised cost	101	48
Loans classified as available for sale	-	34
Debt investments classified as amortised cost	13	-
Debt investments classified as available for sale	18	7
	<b>132</b>	<b>89</b>
<b>REVERSALS OF IMPAIRMENTS</b>		
Loans classified as amortised cost	(10)	(14)
Loans classified as available for sale	-	(11)
Debt investments classified as amortised cost	-	-
Debt investments classified as available for sale	-	-
	<b>(10)</b>	<b>(25)</b>
Other	2	(2)
	<b>124</b>	<b>62</b>

## 6. Tax

IN EUR MILLIONS	2009	2008
<b>THE TAX EXPENSE (CREDIT) CAN BE ANALYSED AS FOLLOWS:</b>		
Profit before tax from continuing operations	41	94
Tax calculated at the nominal Dutch corporate tax rate of 25.5% (2008: 25.5%)	11	24
Effect of different tax rates in other countries	(2)	-
Impact of income not subject to tax	(4)	(23)
Impact of expenses not deductible for tax purposes	1	2
Result final tax assessment previous years:		
The Netherlands	(5)	-
United Kingdom	(3)	-
Belgium	-	(2)
Germany	1	-
Singapore	(1)	-
	<b>(2)</b>	<b>1</b>
Effective tax rate	-4.9%	1.1%

The impact of income not subject to tax mainly relates to income from equity investments and investments in associates, in which NIBC has a stake of more than 5%, being income that is tax exempt under Dutch tax law. NIBC Holding is the parent company of a number of subsidiaries such as NIBC, NIBC Investments N.V. and NIBC Investment Management N.V., which all are part of the same fiscal entity.

## 7. Financial liabilities at amortised cost

### Own debt securities in issue

IN EUR MILLIONS	2009	2008
Bonds and notes issued	8,805	5,926
Fair value hedge adjustment	31	48
	<b>8,836</b>	<b>5,974</b>

IN EUR MILLIONS	2009	2008
<b>THE LEGAL MATURITY ANALYSIS OF THE OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:</b>		
Three months or less	443	776
Longer than three months but not longer than one year	470	1,161
Longer than one year but not longer than five years	7,723	3,838
Longer than five years	200	199
	<b>8,836</b>	<b>5,974</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>5,974</b>	<b>9,035</b>
Issued	5,186	2,473
Disposals	(2,441)	(5,482)
Other movements and exchange differences	117	(52)
<b>BALANCE AT 31 DECEMBER</b>	<b>8,836</b>	<b>5,974</b>

For an amount of EUR 6,497 million of the issued notes, the Dutch State has unconditionally and irrevocably guaranteed the due payment of all amounts of principal and interest due by NIBC under these notes according and subject to (I) the Rules governing the 2008 Dutch State's Credit Guarantee Scheme and (II) the Guarantee Certificate issued under those Rules in respect of these notes. These Rules and the Guarantee Certificate are available at [www.dutchstate.nl](http://www.dutchstate.nl).

## 8. Financial liabilities at amortised cost

### Debt securities in issue related to securitised mortgages

IN EUR MILLIONS	2009	2008
Bonds and notes issued	5,231	5,835
	<b>5,231</b>	<b>5,835</b>

IN EUR MILLIONS	2009	2008
<b>THE LEGAL MATURITY ANALYSIS OF THE DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES IS ANALYSED AS FOLLOWS:</b>		
Three months or less	11	60
Longer than three months but not longer than one year	-	-
Longer than one year but not longer than five years	-	91
Longer than five years	5,220	5,684
	<b>5,231</b>	<b>5,835</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>5,835</b>	<b>7,214</b>
Issued	-	43
Disposals	(605)	(1,422)
Other movements and exchange differences	1	-
<b>BALANCE AT 31 DECEMBER</b>	<b>5,231</b>	<b>5,835</b>

## 9. Financial liabilities - designated at fair value through profit or loss

### Own debt securities in issue

IN EUR MILLIONS	2009	2008
Bonds and notes issued	85	168
	<b>85</b>	<b>168</b>

IN EUR MILLIONS	2009	2008
<b>THE LEGAL MATURITY ANALYSIS OF THE OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:</b>		
Three months or less	28	-
Longer than three months but not longer than one year	14	81
Longer than one year but not longer than five years	18	55
Longer than five years	25	32
	<b>85</b>	<b>168</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>168</b>	<b>215</b>
Issued	1	44
Disposals	(80)	(94)
Changes in fair value	(3)	6
Exchange differences	(1)	(3)
<b>BALANCE AT 31 DECEMBER</b>	<b>85</b>	<b>168</b>

The change in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated elsewhere in the balance sheet.

## 10. Financial liabilities - designated at fair value through profit or loss

### Debt securities in issue structured

IN EUR MILLIONS	2009	2008
Bonds and notes issued	2,453	3,110
	<b>2,453</b>	<b>3,110</b>

IN EUR MILLIONS	2009	2008
<b>THE LEGAL MATURITY ANALYSIS OF THE DEBT SECURITIES IN ISSUE STRUCTURED IS ANALYSED AS FOLLOWS:</b>		
Three months or less	72	143
Longer than three months but not longer than one year	268	261
Longer than one year but not longer than five years	479	847
Longer than five years	1,634	1,859
	<b>2,453</b>	<b>3,110</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN DEBT SECURITIES IN ISSUE STRUCTURED MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>3,110</b>	<b>4,152</b>
Issued	28	23
Disposals	(652)	(1,152)
Changes in fair value	(11)	(33)
Exchange differences	(22)	120
<b>BALANCE AT 31 DECEMBER</b>	<b>2,453</b>	<b>3,110</b>

The change in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated elsewhere in the balance sheet.

## 11. Subordinated liabilities - amortised cost

IN EUR MILLIONS	2009	2008
Subordinated loans qualifying as Tier-I capital	89	130
Other subordinated loans	43	99
	<b>132</b>	<b>229</b>

IN EUR MILLIONS	2009	2008
<b>THE LEGAL MATURITY ANALYSIS OF THE SUBORDINATED LIABILITIES IS ANALYSED AS FOLLOWS:</b>		
One year or less	-	56
Longer than one year but not longer than five years	30	30
Longer than five years but not longer than ten years	1	1
Longer than ten years	101	142
	<b>132</b>	<b>229</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN SUBORDINATED LIABILITIES MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>229</b>	<b>236</b>
Additions	5	6
Disposals	(101)	(21)
Exchange rate differences	(1)	8
<b>BALANCE AT 31 DECEMBER</b>	<b>132</b>	<b>229</b>

## 12. Subordinated liabilities - designated at fair value through profit or loss

IN EUR MILLIONS	2009	2008
Subordinated loans qualifying as Tier-I capital	174	225
Other subordinated loans	195	242
	<b>369</b>	<b>467</b>

IN EUR MILLIONS	31-Dec-09	31-Dec-08
<b>THE LEGAL MATURITY ANALYSIS OF THE SUBORDINATED LIABILITIES IS ANALYSED AS FOLLOWS:</b>		
One year or less	-	51
Longer than one year but not longer than five years	23	-
Longer than five years but not longer than ten years	67	113
Longer than ten years	279	303
	<b>369</b>	<b>467</b>

IN EUR MILLIONS	2009	2008
<b>THE MOVEMENT IN SUBORDINATED LIABILITIES MAY BE SUMMARISED AS FOLLOWS:</b>		
<b>BALANCE AT 1 JANUARY</b>	<b>467</b>	<b>497</b>
Additions	1	1
Disposals	(30)	(19)
Changes in fair value	(61)	(20)
Exchange rate differences	(8)	8
<b>BALANCE AT 31 DECEMBER</b>	<b>369</b>	<b>467</b>

The change in fair value reflects movements due to both interest rate changes and credit spread changes. As NIBC hedges its interest rate risk from these liabilities, the movement due to interest rate changes is compensated elsewhere in the balance sheet.

## 13. Impact reclassification financial assets on comprehensive income (application of amendments to IAS 39 and IFRS 7)

NIBC choose to reclassify (as of 1 July 2008) certain financial assets that are no longer held for the purpose of selling in the near term as permitted by the amendment to IAS 39 and IFRS 7. In NIBC's judgement, the deterioration in the world's financial markets was an example of a rare circumstance applicable on the date of reclassification.

NIBC reclassified non-derivative trading financial assets, which do not meet the definition of loans and receivables and are no longer held for the purpose of selling them in the near term, from held for trading to available for sale. In addition, NIBC reclassified financial assets from held for trading and available for sale to loans and receivables. At the date of reclassification NIBC had the intention and ability to hold these reclassified loans and receivables for the foreseeable future or until maturity.

NIBC has recognised the following gains, losses, income and expenses in the income statement in respect of reclassified financial assets:

IN EUR MILLIONS	For the year ended 31 December			
	2009 After reclassification	2009 Before reclassification	2008 After reclassification	2008 Before reclassification
Net interest income	139	131	331	323
Net trading income	(1)	(53)	(45)	(201)
Impairment of financial assets	(90)	(59)	(35)	(27)

Had NIBC determined that the market conditions during 2008 did not represent a rare circumstance or that NIBC did not have the intention and ability to hold the financial assets for the foreseeable future or until maturity and had NIBC therefore not reclassified the financial assets, a net of tax loss of EUR 23 million (2008: loss of EUR 117 million) would have been recognised in profit or loss and an incremental net of tax gain of EUR 36 million (2008: loss of EUR 220 million) would have been recognised in the revaluation reserve in equity in 2009 due to incremental fair value losses and reversal of impairments.

## 14. Capital and shares

The ultimate controlling company is New NIB Limited, a company incorporated in Ireland.

### Share capital

IN EUR MILLIONS	2009	2008
Paid up capital	80	80
	<b>80</b>	<b>80</b>

	2009	2008
<b>THE NUMBER OF AUTHORISED SHARES IS SPECIFIED AS FOLLOWS:</b>		
Number of authorised shares <sup>1</sup>	218,937,500	218,937,500
Number of shares issued and fully paid <sup>2</sup>	62,586,794	62,586,794
Par value per A-share	1.28	1.28
Par value per preferent share	1.00	1.00

(1) The authorised capital amounts to EUR 250 million and is divided into 110,937,500 A shares of EUR 1.28 nominal value and 108,000,000 preference shares of EUR 1.00 nominal value.

(2) The shares issued and fully paid consist of A shares.

## 15. Related party transactions

### Transactions related to associates

As at 31 December 2009, NIBC had EUR 222 million of loans advanced to its associates (2008: EUR 245 million). Besides interest income on these loans, NIBC earned EUR 5 million (2008: EUR 7 million) in fees from these associates.

In June 2007, NIBC launched the NIBC European Infrastructure Fund I, (which was NIBC's first third-party equity fund) with a final close in August 2008. Total commitments to the fund amount to EUR 347 million, of which EUR 247 million is committed by four third-party investors and EUR 100 million by NIBC. The fund invests in infrastructure projects in Western Europe. NIBC realised no losses from its investment in the fund in 2009 (2008: loss of EUR 15 million) and earned fees of EUR 4 million (2008: EUR 5 million). In NIBC's financial statements, this fund is classified as an associate at fair value through profit or loss.

At 31 December 2009, NIBC had EUR 29 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 Europe, was launched in the second quarter of 2008. NIBC's income from this fund in 2009 was minor. In NIBC's financial statements, the joint venture is classified as an associate at fair value through profit or loss.

In September 2008, NIBC launched the NIBC European CMBS Opportunity Fund. Of the total committed fund size of EUR 64 million, EUR 49 million is committed by third-party investors and EUR 15 million by NIBC. The fund invests in commercial real estate in Western Europe. NIBC's income from this fund in 2009 was EUR 2 million (2008: EUR 1 million), of which fee income of EUR 0.4 million (2008: EUR 0.4 million) In NIBC's financial statements, this fund is classified as an associate at fair value through profit of loss.

### Transactions involving NIBC's shareholders

Significant related party transactions executed in 2009 and 2008 concern the following:

At 31 December 2009, NIBC had EUR 398 million of net exposures (assets minus liabilities) to its parent and to entities controlled by its parent entity (2008: EUR 418 million). The interest received and paid on this exposure was at arm's length.

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 USD 100 million capital commitment from NIBC. The management fee and the profits interest otherwise payable by limited partners in such fund were 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. During 2009, NIBC's commitment was fully drawn. In 2009, NIBC earned fees of EUR 0.6 million (2008: EUR 0.5 million) relating to this transaction.

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.

In June 2009, NIBC made a commitment of USD 10 million to "Flowers Fund III" an investment fund managed by an affiliate of J.C. Flowers & Co.

In the first quarter of 2008, after NIBC Holding attracted EUR 400 million of new capital from its shareholders, a loan from NIBC Bank to NIBC Venture Capital N.V. (Veca), a public limited liability company incorporated under the laws of the Netherlands to which in 2007 the contractual rights to receive cash flows on a portfolio of US Commercial Real Estate structured credits were transferred, and indirectly a 100% subsidiary of NIBC Holding was prepaid. As of that moment, Veca is fully financed by NIBC Holding and NIBC Bank no longer has exposure to Veca.

Fees paid to NIBC Holding related to asset management activities are nil for both 2009 and 2008.

### Loan from NIBC Bank N.V. to the Pension Fund

At the balance sheet date, NIBC has advanced a subordinated loan (interest charge: 0%) for an amount of EUR 3 million (2008: EUR 3 million) to the trustee-administered fund (NIBC's Pension Fund). There will be no repayment of this loan until the fund has reached a solvency ratio of 150%.

## 16. Legal proceedings

There were a number of legal proceedings outstanding against NIBC at 31 December 2009. No provision has been made, as legal advice indicates that it is unlikely that any significant loss will arise.

## 17. Commitments and contingent assets & 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 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 residential mortgage commitments of EUR 19 million at 31 December 2009 (2008: EUR 82 million), which in these financial statements 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	2009	2008
<b>Contract amount</b>		
Committed facilities with respect to corporate loan financing	1,088	1,009
Capital commitments	103	194
Guarantees granted	200	214
Irrevocable letters of credit	67	76
	<b>1,458</b>	<b>1,493</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 expire. Many of the contingent liabilities and commitments will expire without being advanced in whole or in part. Therefore, the amounts do not represent expected future cash flows.

## 18. Subsequent events

There are no subsequent events.



SUPPLEMENTARY FINANCIAL INFORMATION  
for the year ended 31 December 2009

NIBC Holding N.V.  
9 March 2010

**Table of contents**

Consolidated income statement

Consolidated statement of comprehensive income

Consolidated balance sheet

Consolidated statement of changes in shareholders' equity

**Consolidated income statement  
for the year ended 31 December 2009**

IN EUR MILLIONS	2009	2008
Net interest income	56	206
Net fee and commission income	34	47
Dividend income	30	50
Net trading income	196	(272)
Gains less losses from financial assets	(19)	(57)
Share in result of associates	5	7
Other operating income	35	40
<b>OPERATING INCOME</b>	<b>337</b>	<b>21</b>
Personnel expenses	103	130
Other operating expenses	73	76
Depreciation and amortisation	19	17
<b>OPERATING EXPENSES</b>	<b>195</b>	<b>223</b>
Impairment of goodwill	-	217
Impairments of corporate loans	59	42
Impairments of other interest bearing assets	129	50
<b>IMPAIRMENTS</b>	<b>188</b>	<b>309</b>
<b>TOTAL EXPENSES</b>	<b>383</b>	<b>532</b>
<b>RESULT BEFORE TAX</b>	<b>(46)</b>	<b>(511)</b>
Tax	(23)	(98)
<b>RESULT AFTER TAX</b>	<b>(23)</b>	<b>(413)</b>
Result attributable to minority interests	(1)	1
<b>NET RESULT ATTRIBUTABLE TO PARENT SHAREHOLDERS</b>	<b>(22)</b>	<b>(414)</b>

**Consolidated statement of comprehensive income  
for the year ended 31 December 2009**

IN EUR MILLIONS	2009			2008		
	Before tax	Tax (charge credit)	After tax	Before tax	Tax (charge credit)	After tax
<b>RESULT FOR THE PERIOD</b>	(46)	(23)	(23)	(511)	(98)	(413)
<b>OTHER COMPREHENSIVE INCOME</b>						
Net result on cash flow hedging instruments	(47)	(12)	(35)	54	14	40
Revaluation loans and receivables	49	12	37	(18)	(4)	(14)
Revaluation equity investments	(10)	(2)	(8)	(36)	-	(36)
Revaluation debt investments	17	3	14	(15)	(3)	(12)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>9</b>	<b>1</b>	<b>8</b>	<b>(15)</b>	<b>7</b>	<b>(22)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(37)</b>	<b>(22)</b>	<b>(15)</b>	<b>(526)</b>	<b>(91)</b>	<b>(435)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>						
Parent shareholders	(36)	(22)	(14)	(527)	(91)	(436)
Minority interests	(1)	-	(1)	1	-	1
	<b>(37)</b>	<b>(22)</b>	<b>(15)</b>	<b>(526)</b>	<b>(91)</b>	<b>(435)</b>

**Consolidated balance sheet**  
At 31 December

IN EUR MILLIONS	2009	2008
<b>Assets</b>		
<b>FINANCIAL ASSETS AT AMORTISED COST</b>		
Cash and balances with central banks	1,353	1,113
Due from other banks	3,099	1,774
Loans and receivables		
Loans	6,053	5,512
Debt investments	673	907
Securitised loans	616	630
<b>FINANCIAL ASSETS AT AVAILABLE FOR SALE</b>		
Equity investments	94	108
Debt investments	714	35
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
Loans	1,103	1,136
Residential mortgages own book	5,817	6,201
Securitised residential mortgages	4,783	5,250
Debt investments	817	758
Enhanced investments	53	1,079
Equity investments (including investments in associates)	215	188
Derivative financial assets held for trading	2,813	3,113
Derivative financial assets used for hedging	242	216
<b>OTHER</b>		
Investments in associates (equity method)	35	40
Intangible assets	161	165
Property, plant and equipment	101	102
Investment property	28	30
Deferred tax	124	104
Other assets	41	69
<b>TOTAL ASSETS</b>	<b>28,935</b>	<b>28,530</b>

**Consolidated balance sheet**  
At 31 December

IN EUR MILLIONS	2009	2008
<b>Liabilities</b>		
<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>		
Due to other banks	2,601	5,537
Deposits from customers	4,152	1,942
Own debt securities in issue	8,836	5,974
Debt securities in issue related to securitised mortgages	5,231	5,835
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING)</b>		
Own debt securities in issue	85	168
Debt securities in issue structured	2,453	3,110
Derivative financial liabilities held for trading	3,124	3,386
Derivative financial liabilities used for hedging	80	42
<b>OTHER</b>		
Other liabilities	205	156
Current tax	12	16
Deferred tax	-	-
Employee benefits	5	8
<b>SUBORDINATED LIABILITIES</b>		
Amortised cost	132	229
Fair value through profit or loss	369	467
<b>TOTAL LIABILITIES</b>	<b>27,285</b>	<b>26,870</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	1,407	1,408
Other reserves	569	560
Retained earnings	(323)	89
Net result attributable to parent shareholders	(22)	(414)
<b>TOTAL PARENT SHAREHOLDERS' EQUITY</b>	<b>1,631</b>	<b>1,643</b>
Minority interests	19	17
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,650</b>	<b>1,660</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>28,935</b>	<b>28,530</b>

## Consolidated statement of changes in shareholders' equity

IN EUR MILLIONS	ATTRIBUTABLE TO PARENT SHAREHOLDERS				Total	Minority interests	Total shareholders' equity
	Share capital	Other reserves <sup>1</sup>	Retained earnings	Net result			
<b>BALANCE AT 1 JANUARY 2008</b>	<b>1,363</b>	<b>225</b>	<b>96</b>	<b>(5)</b>	<b>1,679</b>	<b>11</b>	<b>1,690</b>
Transfer net result to retained earnings	-	-	(5)	5	-	-	-
Total comprehensive income for the period ended 31 December 2008	-	(22)	-	(414)	(436)	1	(435)
Capital contribution of third parties in a subsidiary controlled by NIBC Holding	-	-	-	-	-	5	5
Proceeds from shares issued	45	360	-	-	405	-	405
Treasury share purchased by STAK	-	(5)	-	-	(5)	-	(5)
Release liability NIBC choice	-	(4)	-	-	(4)	-	(4)
NIBC Choice expense	-	6	1	-	7	-	7
Other movements	-	-	(3)	-	(3)	-	(3)
<b>BALANCE AT 31 DECEMBER 2008</b>	<b>1,408</b>	<b>560</b>	<b>89</b>	<b>(414)</b>	<b>1,643</b>	<b>17</b>	<b>1,660</b>

IN EUR MILLIONS	ATTRIBUTABLE TO PARENT SHAREHOLDERS				Total	Minority interests	Total shareholders' equity
	Share capital	Other reserves <sup>1</sup>	Retained earnings	Net result			
<b>BALANCE AT 1 JANUARY 2009</b>	<b>1,408</b>	<b>560</b>	<b>89</b>	<b>(414)</b>	<b>1,643</b>	<b>17</b>	<b>1,660</b>
Transfer net result to retained earnings	-	-	(414)	414	-	-	-
Total comprehensive income for the period ended 31 December 2009	-	8	-	(22)	(14)	(1)	(15)
Capital contribution of third parties in a subsidiary controlled by NIBC Holding	-	-	-	-	-	3	3
Proceeds from shares issued	(1)	(3)	-	-	(4)	-	(4)
Treasury share purchased by STAK	-	-	-	-	-	-	-
Release liability NIBC choice	-	4	-	-	4	-	4
NIBC Choice expense	-	-	1	-	1	-	1
Other movements	-	-	1	-	1	-	1
<b>BALANCE AT 31 DECEMBER 2009</b>	<b>1,407</b>	<b>569</b>	<b>(323)</b>	<b>(22)</b>	<b>1,631</b>	<b>19</b>	<b>1,650</b>

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

## **Disclaimer**

### **Presentation of information**

The annual accounts of NIBC Bank N.V. and NIBC Holding N.V. (together 'NIBC') are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this condensed financial report (NIBC Bank N.V.) and supplementary financial information (NIBC Holding N.V.) for the year ended 31 December 2009 (the 'financial report'), the same accounting principles are applied as in the 2008 NIBC's annual accounts. All figures in this financial report have not been subject to audit or review. However the financial information included therein is derived from the audited 2009 financial statements of NIBC Bank N.V. and NIBC Holding N.V. Small differences are possible in the tables due to rounding.

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

Certain statements in the financial report are not historical facts and are 'forward-looking' statements that relate to, among other things, NIBC's business, result of operation, financial condition, plans, objectives, goals, strategies, future events, future revenues and/or performance, capital expenditures, financing needs, plans or intentions, as well as assumptions thereof. These statements are based on NIBC's current view with respect to future events and financial performance. Words such as 'believe', 'anticipate', 'estimate', 'expect', 'intend', 'predict', 'project', 'could', 'may', 'will', 'plan' and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve uncertainties and are subject to certain risks, including, but not limited to (i) general economic conditions, in particular in NIBC's core and niche markets, (ii) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness (iii) performance of financial markets, including developing markets, (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets (ix) changes in law and regulations, including taxes (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives and (xii) the risks and uncertainties as addressed in the Interim Financial Report, the occurrence of which could cause NIBC's actual results and/or performance to differ from those predicted in such forward-looking statements and from past results.

The forward-looking statements speak only as of the date hereof. NIBC does not undertake any obligation to update or revise forward-looking statements contained in the financial report, whether as a result of new information, future events or otherwise.

Neither NIBC nor any of its directors, officers, employees do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.