Interim Report 2009

NIBC Bank

NIBC

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Half Year Report of the Managing Board

Financial Highlights

- NIBC Bank profitable in the first half of 2009 despite continued difficult financial and economic conditions
- Sharpening of strategic focus is working; business activity in Q2 across NIBC's core areas of expertise beginning to accelerate including M&A and Specialised Finance
- Very strong capitalisation with BIS ratio of 17.0%, Tier-1 ratio of 15.3% and core Tier-1 ratio of 12.7%
- Diversity of funding and liquidity position continued to improve over the first half of 2009
- Net interest income temporarily impacted due to liquidity buffer, which is gradually being invested in our client franchise, and high funding costs
- Net profit in the second quarter of EUR 1 million was impacted by a combination of the financial crisis, still leading to negative fair value adjustments, and the economic downturn, resulting in further impairments
- Continued focus on efficiency and managing operating expenses

Chairman's statement

Jeroen Drost, Chief Executive Officer of NIBC

"NIBC Bank has delivered a positive result for the first half of 2009. While we are making progress and see positive signs in terms of operational performance, the financial and economic conditions remain challenging and continue to weigh on our results as anticipated. With business activity across our core areas starting to pick up, we have executed a number of key transactions during the first half of 2009 and are focused on financing, advising and co-investing in our core markets. The funding of NIBC during the first half of 2009 was prudent and places us in a good position to support our clients and to quickly take advantage of opportunities. While we remain cautious and our outlook for the full year continues to be challenging, based on our interaction with our clients we see real opportunities to benefit from our very strong capital position, diversified funding and healthy geographic and sector mix of activities."

Key figures

	HY 2009	HY 2008	Q2 2009	Q1 2009	Q2 2008
Net result attributable to parent shareholder (in EUR million)	15	109	1	14	59
Efficiency ratio	41%	39%	41%	41%	
Return on net asset value (after tax)	4%	29%	0%	4%	16%

Recent developments

Financial results for the first half of 2009

- Net profit for the first half of 2009 was EUR 15 million, compared to EUR 109 million in the first half of 2008. The second quarter posted a profit of EUR 1 million, lower than the EUR 14 million profit in Q1 2009 but significantly higher than the Q4 2008 loss of EUR 61 million. Net interest income, negative fair value adjustments and impairments on equity investments and mezzanine investments impacted the results, which was partly compensated by positive net trading income.
- The BIS ratio remained very strong at 17.0%, with a Tier-1 ratio of 15.3% and a core Tier-1 ratio of 12.7%.

Strategy

- NIBC has been transformed back to a more traditional bank that focuses on financing, advising and co-investing with its core clients in the Benelux and Germany and on 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.
- Our client focus is underpinned by the appointment of Rob ten Heggeler as member of the Managing Board and head of Merchant Banking. His vast experience as both a wholesale banker and as an excellent manager will prove to be very valuable to our bank.
- NIBC already started to de-risk its balance sheet in 2007, principally through the sale of non client-related portfolios no longer regarded as core. Currently, around 90% of NIBC's portfolio is comprised of a corporate loan portfolio and a residential mortgage portfolio. The bank has continued to focus on further improving efficiency, reducing operating expenses and maintaining its strong efficiency ratio.

Transactions

With business activity picking up NIBC arranged a number of important transactions across its key markets. Examples include:

- NIBC M&A acted as financial advisor to Vattenfall in the EUR 8.5 billion acquisition of Nuon. Nuon and Swedish Vattenfall joined forces to form a leading European energy company and the transaction is the largest transaction ever by a Swedish company. For the disposal of a majority share in GreenChem, one of the leading European suppliers of AdBlue, to Agrofert Group, NIBC M&A acted as advisor to GreenChem.
- Plukon Royale Groep was acquired by Gilde Buy Out Partners. NIBC acted as M&A advisor to Gilde and provided leveraged financing to fund the acquisition.
- NIBC Leveraged Finance acted as mandated lead arranger in the financing of the leveraged buyout of bol.com. On 24 April 2009, Cyrte Investments announced its acquisition of bol.com.
- NIBC Oil & Gas services joined the USD 1.8 billion Senior Secured Borrowing Base Facility to Tullow Oil Plc, one of Europe's largest independent oil & gas exploration, development and production companies, and joined the loan facility of up to USD 200 million related to the semi-submersible drilling rig "Alaskan Star" for Queiroz Galvao Oleo e Gas. The team also acted as bookrunner and mandated lead arranger for SBM Offshore N.V. in the closing of a USD 350 million project financing facility for the Deep Panuke Mobile Offshore Production Unit, and as mandated lead arranger for a 5 year USD 1,500 million senior secured credit facility for Seadrill Ltd, a major international offshore drilling company.
- NIBC Infrastructure & Renewables arranged a number of transactions in our home markets. Frankfurt acted as mandated lead arranger in the financing of the world's largest biogas plant in Germany and closed secured loan facilities of up to EUR 400 million related to the PPP transaction for the A5 motorway. The London team closed a GBP 63 million financing with Shanks Group to build and operate waste management facilities.

* Sportcity and NIBC Capital Partners completed the acquisition of Fit for Free Beheer B.V.. NIBC Capital Partners will assist management in its ongoing strategy for growth.

Funding diversification

* Based on our client interaction and in order to be well placed to take advantage of market opportunities to support our clients, NIBC focused on increasing its liquidity position and diversifying its funding base.
* Retail savings from NIBC Direct continue to increase. In the first half of 2009, total NIBC Direct savings grew from over EUR 1 billion at year-end 2008 to over EUR 3 billion at 30 June 2009, which is 20% of total funding.
* A further EUR 3 billion of funding was raised in the first half of 2009 under the Dutch State's Credit Guarantee Scheme, thereby enhancing our funding profile.

Profit & loss[1]

In EUR millions	HY 2009	HY 2008	+/-	Q2 2009	Q1 2009	+/-	Q2 2008	+/-
Net interest income	28	98		4	23		50	
Net fee and commission income	19	27		14	5		7	
Dividend income	22	28		12	11		15	
Net trading income	136	57		68	68		19	
Gains less losses from financial assets	(36)	28		(21)	(15)		36	
Share in result of associates	3	7		3	-		6	
Other operating income	1	2		1	1		1	
Operating income	**173**	**247**	**-30%**	**80**	**93**	**-13%**	**133**	**-39%**
Personnel expenses	(38)	(63)		(17)	(21)		(34)	
Other operating expenses	(30)	(29)		(15)	(16)		(14)	
Depreciation and amorisation	(4)	(4)		(2)	(2)		(2)	
Operating expenses	**(72)**	**(96)**	**-25%**	**(33)**	**(38)**	**-13%**	**(50)**	**-33%**
Impairment of corporate loans	(41)	(24)		(25)	(17)		(19)	
Impairment of other interest bearing assets	(51)	-		(22)	(28)		-	
Total expenses	**(163)**	**(119)**	**37%**	**(80)**	**(83)**	**-3%**	**(68)**	**17%**
Result before tax	**10**	**127**	**-92%**	**0**	**10**	**-98%**	**64**	**-100%**
Tax	4	(17)		1	3		(4)	
Result after tax	**14**	**110**	**-88%**	**1**	**13**	**-94%**	**60**	**-99%**
Result attributable to minority interest	2	(1)		1	1		(1)	
Net result attributable to parent shareholder	**15**	**109**	**-86%**	**1**	**14**	**-89%**	**59**	**-98%**

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

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

Income and expenses for the first half of 2009

* Operating income declined 30% in the first half of 2009 compared to the first half of 2008. Net interest income is temporarily depressed due to the liquidity buffer which we built by attracting long-term funding via government guaranteed issues - thereby enhancing our funding maturity profile - and high funding costs. This liquidity buffer is gradually being invested in our client franchise at today's higher market spreads as we recently see business activity clearly picking up. As a result of lower interest rates on savings funding costs are declining and we expect that in the next quarters net interest income will increase again. Higher net trading income includes mark-to-market movements on both assets and liabilities, successful money market activities and repurchases of liabilities. The trading result partly compensated the lower net interest income, negative fair value adjustments and impairments on equity and mezzanine investments and lower fee income.

- Operating expenses were reduced by 25% compared to the first half of 2008 as a result of lower variable compensation and a decrease in the number of staff. We therefore were able to maintain a strong efficiency ratio of close to 40%.
- In the first half of 2009, EUR 41 million of impairments were taken against the total corporate loan portfolio of EUR 7.9 billion. The level of impairments of corporate loans in the second quarter is of the same order of magnitude as the level of impairments taken in the previous two quarters. EUR 50 million of impairments of other interest bearing assets relates for the majority to NIBC's mezzanine portfolio of EUR 272 million.

Other key figures

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

Shareholder's equity and capital ratios

- In 2009, shareholder's equity of NIBC Bank slightly increased to EUR 1,647 million. The increase of EUR 9 million mainly stems from the net profit of EUR 14 million.
- The balance sheet increased from EUR 28.9 billion at year-end 2008 to EUR 29.7 billion at 30 June 2009 mainly due to the additional funding raised in the first half of 2009 (EUR 3 billion under the Dutch State's Credit Guarantee Scheme and an increase of retail savings via NIBC Direct of over EUR 2 billion).
- The capital ratios of NIBC Bank remained very strong (BIS ratio of 17.0%, Tier-1 ratio of 15.3% and a core Tier-1 ratio of 12.7%) and well above the industry standard. The decrease of the ratios in the first half of 2009 can largely be explained by an increase of the risk weighted assets mainly as a result of credit migration caused by the economic downturn.

Two pillar strategy: Merchant Banking and Specialised Finance

NIBC's strategy is based on asset classes and geographies it knows well, building on its core skill of credit risk assessment. The activities are concentrated around two strategic pillars - Merchant Banking and Specialised Finance.

Combining advice, financing and co-investing, NIBC offers integrated solutions to mid-cap clients in the Benelux and Germany. In addition to the wide range of merchant bank activities, NIBC is a meaningful player in a select number of clearly defined asset financing classes. NIBC employs its credit skills to provide asset financing in sectors such as corporate lending, leveraged finance, oil & gas services, infrastructure & renewables, shipping and real estate.

Merchant Banking

Through the Merchant Banking business, NIBC advises, finances, and co-invests with its mid-cap 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.

In EUR millions	HY 2009	HY 2008	+/-	Q2 2009	Q1 2009	+/-	Q2 2008	+/-
Net interest income	26	24		15	11		12	
Net fee and commission income	16	22		11	5		6	
Dividend income	3	8		3	-		5	
Net trading income	(6)	(0)		(4)	(2)		3	
Gains less losses from financial assets	(31)	29		(16)	(15)		35	
Share in result of associates	1	2		1	-		2	
Other operating income	1	1		0	0		1	
Operating income	**9**	**86**	**-89%**	**10**	**(1)**		**64**	**-84%**
Operating expenses	**(27)**	**(40)**	**-33%**	**(12)**	**(15)**	**-22%**	**(21)**	**-46%**
Impairment of corporate loans	(20)	(12)		(12)	(8)		(10)	
Impairment of other interest bearing assets	(44)	-		(16)	(28)		-	
Total expenses	**(90)**	**(52)**	**75%**	**(39)**	**(51)**	**-22%**	**(31)**	**25%**
Result before tax	**(81)**	**34**		**(29)**	**(52)**	**44%**	**32**	
Tax	18	0		5	13		1	
Result after tax	**(63)**	**35**		**(24)**	**(39)**	**38%**	**33**	

Financial Results

- As expected and in line with the continued difficult market circumstances, the Merchant Banking activities were disappointing.
- In the second quarter, M&A activity started to pick up and as a result fee income increased compared to previous quarters.
- Gains less losses from financial assets, which relate to NIBC's equity investments portfolio, were affected by the turmoil in the financial markets, which led to negative fair value adjustments.
- Lower operating expenses compared to the first half of 2008 are mainly the result of a decrease in the variable compensation and the number of staff.
- EUR 12 million impairments were taken on the corporate loan portfolio in the second quarter of 2009. This level is of the same order of magnitude as the level of impairments in the previous two quarters. EUR 16 million of impairments of other interest bearing assets in the second quarter of 2009 relates for the majority to NIBC's mezzanine portfolio of EUR 272 million.

Specialised Finance

Specialised Finance provides asset and project financing in a select number of clearly-defined asset classes: corporate lending, leveraged finance, oil & gas services, infrastructure & renewables, real estate and shipping. 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. Retail markets activities include residential mortgage origination in the Netherlands and Germany and NIBC's online retail savings initiative, NIBC Direct.

The Specialised Finance results presented below include the Treasury activities.

In EUR millions	HY 2009	HY 2008	+/-	Q2 2009	Q1 2009	+/-	Q2 2008	+/-
Net interest income	2	74		(10)	13		37	
Net fee and commission income	3	5		3	1		1	
Dividend income	19	20		8	11		10	
Net trading income	142	58		72	70		15	
Gains less losses from financial assets	(5)	(1)		(5)	0		1	
Share in result of associates	2	4		2	-		4	
Other operating income	1	0		0	0		0	
Operating income	**164**	**160**	**2%**	**70**	**94**	**-25%**	**69**	**2%**
Operating expenses	**(45)**	**(56)**	**-20%**	**(21)**	**(23)**	**-9%**	**(28)**	**-25%**
Impairment of corporate loans	(21)	(12)		(13)	(8)		(9)	
Impairment of other interest bearing assets	(7)	-		(7)	(0)		-	
Total expenses	**(73)**	**(68)**	**7%**	**(40)**	**(32)**	**26%**	**(37)**	**9%**
Result before tax	**91**	**93**	**-2%**	**30**	**62**	**-52%**	**32**	**-7%**
Tax	(14)	(17)		(4)	(10)		(5)	
Result after tax	**77**	**75**	**2%**	**25**	**52**	**-51%**	**27**	**-7%**

Financial Results

- The results of Specialised Finance held up well in the first half of 2009 compared to the first half of 2008.
- The decline in net interest income in 2009 is the result of the liquidity buffer held within the Treasury department, which we built by attracting long-term funding via government guaranteed issues - thereby enhancing our funding maturity profile - and high funding costs. This liquidity buffer is gradually being invested in our client franchise at today's higher market spreads as we recently see business activity clearly picking up. As a result of lower interest rates on savings funding costs are declining and we expect that in the next quarters net interest income will increase again.
- Trading income is by nature more volatile. 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, trading income is affected by mark-to-market movements on both assets and liabilities. Trading income during the first half of 2009 was positively impacted by repurchases of liabilities and successful money markets activities.
- Operating expenses fell by 20% compared to the first half of 2008 due to lower variable compensation and a reduction in staff.
- EUR 13 million of impairments were taken on the corporate loan portfolio in the second quarter of 2009. This level is of the same order of magnitude as the level of impairments in the previous two quarters. EUR 7 million of impairments of other interest bearing assets in the second quarter of 2009 relate to impairments on the remaining investment portfolio.

The Managing Board's assessment of risk factors affecting the business is presented on pages 10 to 14.

Responsibility Statement

In respect of Article 5:25d, section 2(c) (1 and 2) of the Financial Supervision Act, the members of the Managing Board of NIBC Bank hereby confirm, to the best of their knowledge, that:

i. The Condensed Interim Financial Report gives a true and fair view of the assets, liabilities, financial position and profit or loss of NIBC Bank and its consolidated group companies;
ii. The Half Year Report of the Managing Board gives a true and fair view of the situation on the balance sheet date and the developments during the first six months of the financial year of NIBC Bank and its consolidated group companies; and
iii. Subject to the remarks on forward looking statements in the disclaimer of this report the expected course of events where, to the extent not contrary to important interests, special attention is given to the investments and the circumstances on which the development of turnover and profitability depend.

The Hague, 18 August 2009
Managing Board

Jeroen Drost, Chairman, Chief Executive Officer
Jan van Nieuwenhuizen, Vice-Chairman
Kees van Dijkhuizen, Chief Financial Officer
Rob ten Heggeler, Member
Jan Sijbrand, Chief Risk Officer

Risk Management

As a result of the financial crisis and corresponding economic downturn the overall market and risk environment has been challenging for the broader financial sector. This environment will continue to put pressure on banks' balance sheet and loan portfolios. However, recent economic indicators point to a cautiously improved outlook for much of the global economy. Liquidity in the financial markets has gradually increased and volatility has declined leading to a more stable situation overall.

While we remain cautious and the external environment has impacted our results as anticipated, NIBC is making progress and sees positive signs in terms of operational performance. Based on our interaction with our clients we see real opportunities to benefit from our very strong capital position, diversified funding and healthy geographic and sector mix of activities.

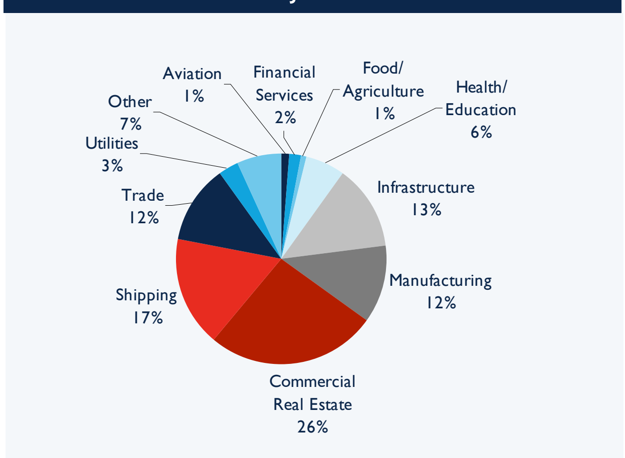
NIBC continues to actively manage its risks and address the broader challenges. Since the year end there have been no material changes to the risk management process as described in the Risk Management section of our Annual Report and the Risk Management notes within our Financial Statements for the year ended 31 December 2008.

The following pages provide further details with respect to NIBC's risk exposures at 30 June 2009.

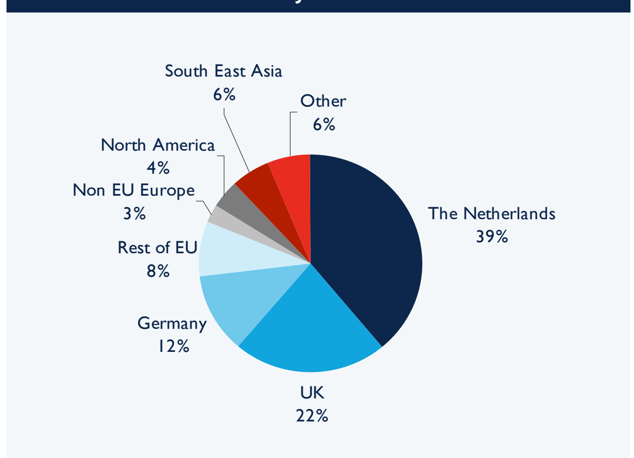
Credit Risk Management

Corporate loans

Corporate Loan Portfolio per Sector
at 30 June 2009



Corporate Loan Portfolio per Region
at 30 June 2009



The total corporate loan portfolio amounts to EUR 7.9 billion at 30 June 2009[1]. In the first half of 2009, the slow down and recessionary conditions of the real economy have taken their toll. Compared to the first half of 2008, the half-year results for 2009 were influenced by an increased impairment amount, of which almost 50% originates from the leveraged finance portfolio.

A total impairment of EUR 41 million was taken in the corporate loan portfolio in the first half of 2009. This is equal to around 100 basis points of the total corporate loan portfolio of EUR 7.9 billion. These new

[1] Notional exposure including undrawn amounts and guarantees

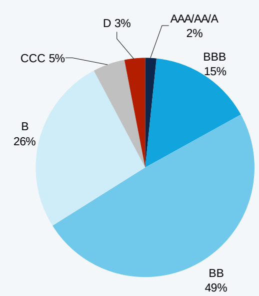
impairments originate from the services' and automotive industries, which were the first to suffer in the current economic downturn.

Impairment amounts are not evenly spread over the quarters. The level of impairments of corporate loans in the second quarter of 2009 is of the same order of magnitude as the level of impairments taken in the previous two quarters.

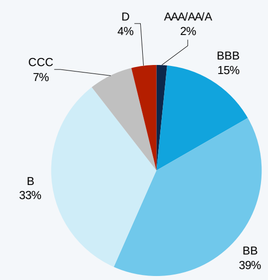
At 30 June 2009, the total corporate loan impairment amount is EUR 111 million (31 December 2008: EUR 83 million) and the impaired outstanding is EUR 168 million (31 December 2008: EUR 156 million).

The current economic downturn has caused a deterioration of the quality of certain assets in the corporate loan portfolio, as the number of downgrades exceeds the number of upgrades. However, compared to 31 December 2008, the weighted average counterparty rating, without taking into account collateral, of the portfolio in the first half of 2009 remains unchanged at BB-.

Exposure by rating at 31 December 2008



Exposure by rating at 30 June 2009



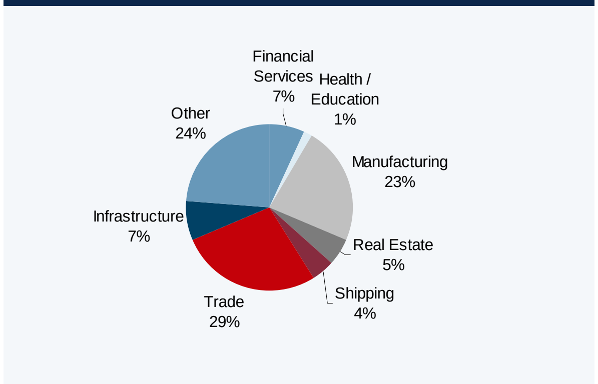
Recovery expectations in the corporate loan portfolio, which are reflected in the Loss Given Default (LGD)-rating have remained stable, on average, even though a slight deterioration of collateral quality has been noted. This slight deterioration mainly affects the leveraged finance portfolio and services' industries, which have been the most severely affected by the economic downturn.

NIBC

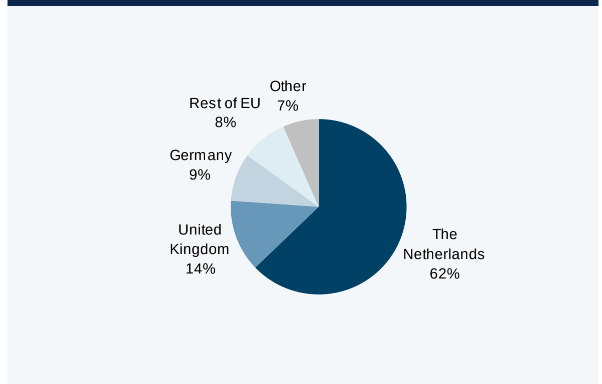
Mezzanine and Equity exposure

The total Mezzanine and Equity exposure is EUR 0.6 billion at 30 June 2009 and is concentrated in Western Europe (see below chart). The equity investments amount to EUR 0.33 billion at 30 June 2009 and the Mezzanine investments amount to EUR 0.27 billion at 30 June 2009.

Exposure by industry sector at 30 June 2009



Exposure by geography at 30 June 2009

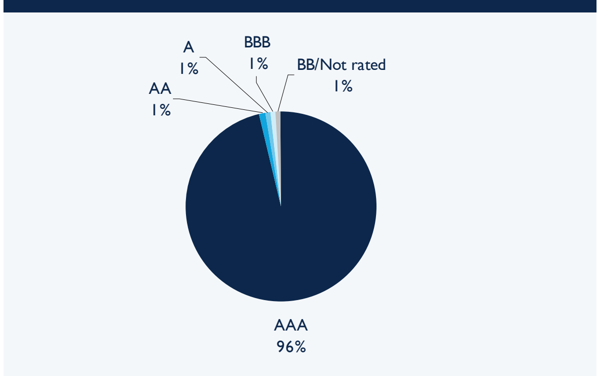


Residential mortgages

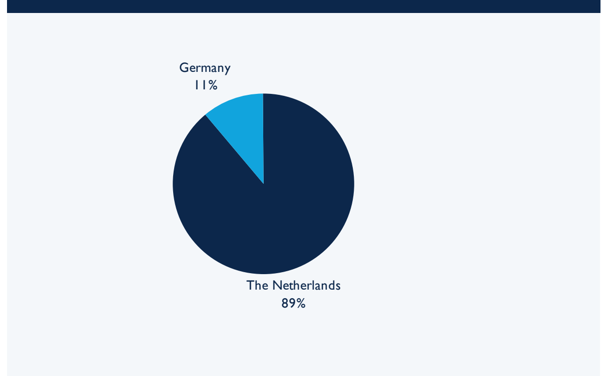
NIBC has a healthy Dutch and German residential mortgage portfolio of EUR 11.0 billion. The own book portfolio is EUR 6.0 billion and the securitised part of the portfolio is EUR 5.0 billion. The default losses in the first half of 2009 amount to EUR 1.9 million.

The table below shows the internal rating class allocation of the residential mortgage portfolio, based on our internal rating methodology for tranching a portfolio of residential mortgages.

Exposures by Implied Rating at 30 June 2009



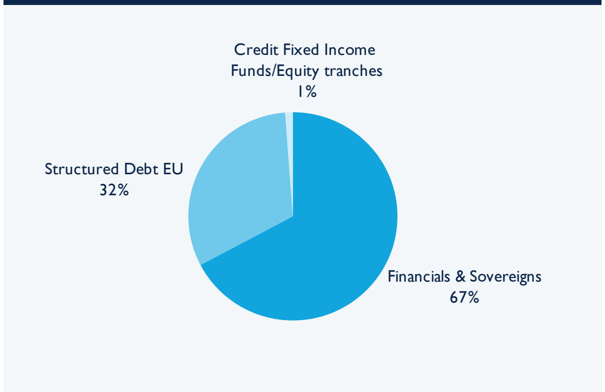
Exposure by Geography at 30 June 2009



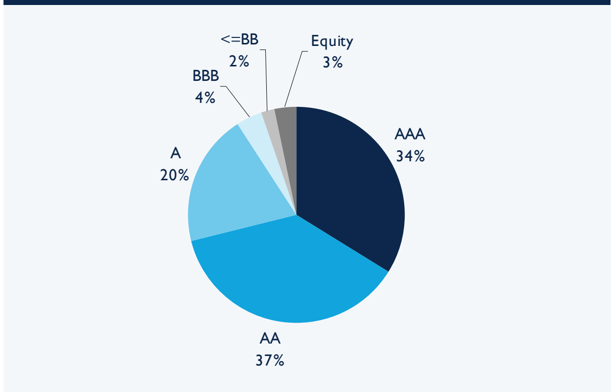
Debt investments

The total non client-related debt investments portfolio remained stable at EUR 2.4 billion as at 30 June 2009. The Financials & Sovereigns portfolio consists entirely of plain vanilla securities, with ultimate credit risk on minimal A-rated financials and sovereigns. The Structured Debt EU Portfolio further reduced in 2009 from EUR 0.9 billion to EUR 0.8 billion.

Exposure by Products at 30 June 2009



Exposure by Rating at 30 June 2009

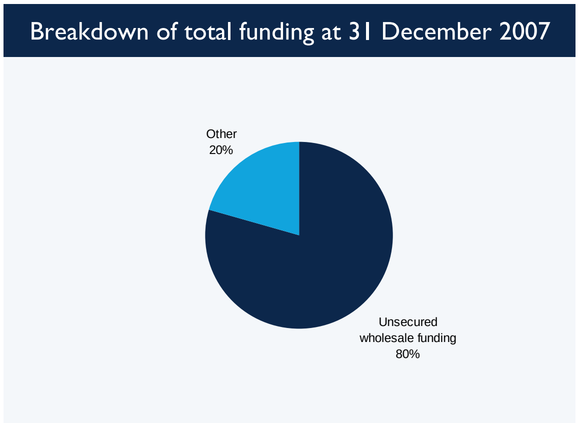


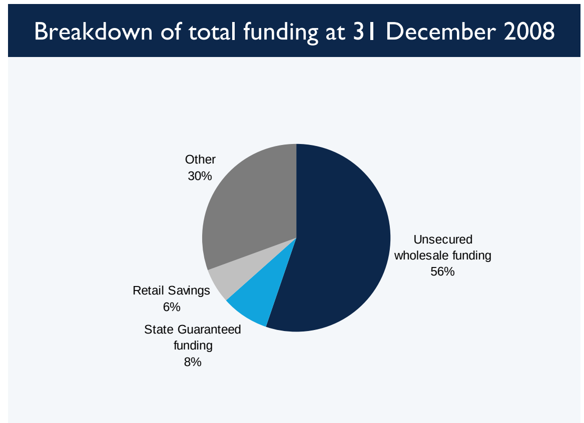
Market Risk Management

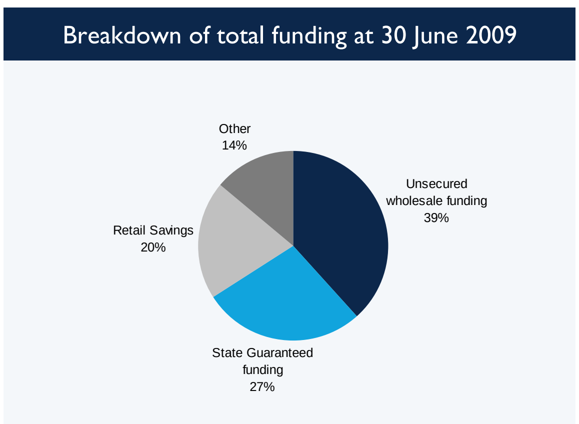
Interest rate risk within NIBC is predominantly present in the Trading portfolio and in the Mismatch portfolio. NIBC concentrates the strategic interest rate position of the bank in the Mismatch book, which exclusively contains swap positions. In the second quarter of 2009 NIBC re-established part of the EUR mismatch position. This mismatch position reflects NIBC's view on future interest rate developments. The current large difference between long-term and short-term interest rates, also in a historical context, as well as the assumed relatively low probability of substantial rises in the long term EUR interest rates, has led to this decision. The position, which may be extended in the second half of 2009, contributes positively to the interest income of NIBC. The interest rate risk of this position, in terms of basis point value (BPV, the sensitivity of the market value for a change of one basis point in the interest rates), equals EUR 260,000.

Liquidity Risk Management

A breakdown of the funding portfolio as at 31 December 2007, 31 December 2008 and 30 June 2009 is as follows:







CONDENSED INTERIM FINANCIAL REPORT
for the six months ended 30 June 2009
NON AUDITED AND NON REVIEWED

NIBC Bank N.V.
18 August 2009

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Explanatory remarks to the presentation of the Income Statement

The items displayed under “Consolidation effect” refer to entities over which NIBC has control. IFRS requires NIBC to consolidate these entities, which is presented in the first column "Condensed Interim Financial Report" . As the investments in these entities are non strategic and the activities of these entities are non-financial, the consolidation of these entities is eliminated under 'Consolidation effects' and replaced by the the net result of these entities in the line-item 'Gains less losses from financial assets'. This delivers the column "Excluding consolidation effect", which displays the income statement as presented in note 1 "Segment Reporting" of the Condensed Interim Financial Report, which is also in line with NIBC's internal management reporting.

	Income Statement for the six months ended 30 June			
	2009	2009	2009	2008
IN EUR MILLIONS	Condensed Interim Financial Report	Consolidation effect	Excluding consolidation effect	Excluding consolidation effect
Net interest income	24	(4)	28	98
Net fee and commission income	19	-	19	27
Dividend income	22	-	22	28
Net trading income	134	(2)	136	57
Gains less losses from financial assets	(31)	5	(36)	28
Share in result of associates	3	-	3	7
Other operating income	19	18	1	2
OPERATING INCOME	**190**	**17**	**173**	**247**
Personnel expenses	47	10	37	63
Other operating expenses	33	3	30	29
Depreciation and amortisation	10	6	4	4
OPERATING EXPENSES	**90**	**19**	**71**	**96**
Impairment of corporate loans	41	-	41	24
Impairment of other interest bearing assets	51	-	51	-
TOTAL EXPENSES	**182**	**19**	**163**	**120**
RESULT BEFORE TAX	**8**	**(2)**	**10**	**127**
Tax	(5)	(1)	(4)	17
RESULT AFTER TAX	**13**	**(1)**	**14**	**110**
Result attributable to minority interest	2	1	1	(1)
NET RESULT ATTRIBUTABLE TO PARENT SHAREHOLDERS	**15**	**-**	**15**	**109**

Consolidated Income Statement
for the six months ended 30 June 2009

IN EUR MILLIONS	Note	30-Jun-09	30-Jun-08
Net interest income		24	98
Net fee and commission income		19	27
Dividend income		22	28
Net trading income	2	134	57
Gains less losses from financial assets	3	(31)	28
Share in result of associates		3	7
Other operating income		19	2
OPERATING INCOME		**190**	**247**
Personnel expenses	4	47	63
Other operating expenses		33	29
Depreciation and amortisation		10	4
OPERATING EXPENSES		**90**	**96**
Impairment of corporate loans	5	41	24
Impairment of other interest bearing assets	5	51	-
TOTAL EXPENSES		**182**	**120**
RESULT BEFORE TAX		**8**	**127**
Tax	6	(5)	17
RESULT AFTER TAX		**13**	**110**
Result attributable to minority interest		2	(1)
NET RESULT ATTRIBUTABLE TO PARENT SHAREHOLDERS		**15**	**109**

Consolidated Balance Sheet

IN EUR MILLIONS	Note	30-Jun-09	31-Dec-08
Assets			
FINANCIAL ASSETS AT AMORTISED COST			
Cash and balances with central banks		986	1,113
Due from other banks		3,497	1,770
Loans and receivables			
Loans	7	6,267	6,303
Debt investments	8	652	738
Securitised loans	9	619	630
FINANCIAL ASSETS AT AVAILABLE FOR SALE			
Equity investments		99	108
Debt investments	10	220	35
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (including trading)			
Loans	11	1,123	1,136
Residential mortgages own book	12	6,007	6,201
Securitised residential mortgages	13	5,034	5,250
Debt investments	14	868	732
Enhanced investments	15	984	1,079
Investments in associates		193	188
Derivative financial assets Held for Trading		2,732	3,137
Derivative financial assets used for hedging		193	215
OTHER FINANCIAL ASSETS			
Investments in associates (equity method)		35	40
Intangible assets		42	44
Property, plant and equipment		98	102
Investment property		31	30
Current tax		-	6
Other assets		66	80
TOTAL ASSETS		**29,746**	**28,937**

Consolidated Balance Sheet

IN EUR MILLIONS	Note	30-Jun-09	31-Dec-08
Liabilities			
FINANCIAL LIABILITIES AT AMORTISED COST			
Due to other banks		4,205	5,537
Deposits from customers		4,410	2,293
Own debt securities in issue	16	7,293	5,974
Debt securities in issue related to securitised mortgages	17	5,562	5,835
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (including trading)			
Own debt securities in issue	18	83	168
Debt securities in issue structured	19	2,472	3,110
Derivative financial liabilities Held for Trading		3,312	3,439
Derivative financial liabilities used for hedging		48	42
OTHER FINANCIAL LIABILITIES			
Other liabilities		142	158
Current tax		6	-
Deferred tax		27	39
Employee benefit obligations		7	8
SUBORDINATED LIABILITIES			
Amortised Cost	20	134	229
Fair Value through Profit or Loss	21	398	467
TOTAL LIABILITIES		**28,099**	**27,299**
SHAREHOLDER'S EQUITY			
Share capital	23	80	80
Other reserves		264	274
Retained earnings		1,271	1,175
Net result attributable to parent shareholders		15	92
TOTAL PARENT SHAREHOLDER'S EQUITY		**1,630**	**1,621**
TOTAL MINORITY INTEREST		17	17
TOTAL SHAREHOLDER'S EQUITY		**1,647**	**1,638**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**29,746**	**28,937**

Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2009

IN EUR MILLIONS	30-Jun-09	30-Jun-08
RESULT AFTER TAX	13	110
OTHER COMPREHENSIVE INCOME		
Net result on cash flow hedging instruments	(30)	(7)
Revaluation loans and receivables (net of tax)	22	(34)
Revaluation equity investments (net of tax)	(5)	(32)
Revaluation debt investments (net of tax)	3	-
Revaluation property, plant and equipment (net of tax)	-	(2)
OTHER COMPREHENSIVE INCOME (net of tax)	(10)	(75)
TOTAL COMPREHENSIVE INCOME (net of tax)	3	35
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO		
Parent shareholder	5	34
Minority interest	(2)	1
	3	**35**

Consolidated Statement of Changes in Shareholder's Equity

IN EUR MILLIONS	ATTRIBUTABLE TO PARENT SHAREHOLDERS [1]						
	SHARE CAPITAL	OTHER RESERVES [2]	RETAINED EARNINGS	NET RESULT	TOTAL	MINORITY INTEREST	TOTAL SHARE-HOLDER'S EQUITY
BALANCE AT 1 JANUARY 2008	**80**	**296**	**1,073**	**98**	**1,547**	11	**1,558**
Transfer net result to retained earnings			98	(98)	**-**		**-**
Total comprehensive income for the period ended 30 June 2008		(75)		109	**34**	1	**35**
Capital contribution of third parties in a subsidiary controlled by NIBC					**-**	4	**4**
Capital contribution share based payments					**-**		**-**
BALANCE AT 30 JUNE 2008	**80**	**221**	**1,171**	**109**	**1,581**	**16**	**1,597**
BALANCE AT 1 JANUARY 2009	**80**	**274**	**1,175**	**92**	**1,621**	**17**	**1,638**
Transfer net result to retained earnings			92	(92)	**-**		**-**
Total comprehensive income for the period ended 30 June 2009		(10)		15	**5**	(2)	**3**
Capital contribution of third parties in a subsidiary controlled by NIBC					**-**	2	**2**
Capital contribution share based payments			4		**4**		**4**
BALANCE AT 30 JUNE 2009	**80**	**264**	**1,271**	**15**	**1,630**	**17**	**1,647**

(1) See note 22 for the impact of the implementation of IASB amendment "IAS 39 Financial Instruments: Recognition and Measurement" on Shareholder's Equity at 30 June 2009.

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

Condensed Consolidated Cash Flow Statement
for the six months ended 30 June 2009

IN EUR MILLIONS	30-Jun-09	30-Jun-08
Cash flows from operating activities	1,278	1,994
Cash flows from investing activities	4	(3)
Cash flows from financing activities	433	(3,498)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**1,715**	**(1,507)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**2,768**	**3,976**
Net increase/(decrease) in cash and cash equivalents	1,715	(1,507)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**4,483**	**2,469**
RECONCILIATION OF CASH AND CASH EQUIVALENTS:		
Cash and balances with central banks	986	49
Due from other banks (maturity 3 months or less)	3,497	2,420
	4,483	**2,469**

General Information

NIBC Bank N.V. (the **Company**), together with its subsidiaries (**NIBC** or the **Group**) is a Dutch 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 classes. It employs its expertise to provide asset financing in sectors such as corporate lending, leveraged finance, oil & gas services, infrastructure and renewables, shipping and real estate. NIBC's clients are mid-cap companies, financial institutions, institutional investors, financial sponsors, family offices and high net worth entrepreneurs/owners. 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.

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 interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. The Condensed Interim Financial Report should be read in conjunction with NIBC's Annual Financial Statements for the year ended 31 December 2008.

The Accounting Policies adopted are consistent with those of the Annual Financial Statements for the year ended 31 December 2008, as described in the Annual Financial Statements for the year ended 31 December 2008.

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 the paragraph 'most significant critical accounting estimates and judgements'.

(a) Standards, amendments and interpretations effective in 2009
The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2009:

- IAS 23 (Amendment), 'Borrowing costs'. The amendment 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 has applied IAS 23 (Amended) from 1 January 2009, but it has no material impact on NIBC's financial position.
- IFRIC 13, 'Customer loyalty programmes'. 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 1 (Revised), 'Presentation of financial statements'. The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative

information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply IAS 1 (Revised) from 1 January 2009 in the Annual Financial Statements. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements in the Annual Financial Statements 2009. The application of this amendment does not have a material impact on the Annual Financial Statements.

- IFRS 2 (Amendment), 'Share-based payment: Vesting conditions and cancellations'. The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The group has applied IFRS 2 (Amendment) from 1 January 2009.
- IAS 32 and IAS 1 (Amendment) 'Puttable Financial Instruments and Obligations Arising on Liquidation' 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 and will apply these amendments for annual periods beginning on or after 1 January 2009.
- 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 Annual Financial Statements.
- IFRIC 16, 'Hedges of a Net Investment in A Foreign Operation'. IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. The application of this interpretation does not have a material impact on the Annual 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 2009 or later periods, but the Group has not early adopted them:

- IAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1 July 2009).The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The group will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.
- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.
- IFRS 1 and IAS 27 (Amendment) 'Cost of an investment in a subsidiary jointly controlled entity or associate (effective 1 July 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 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 techniques requires 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 techniques against industry standards and observable transaction prices (to the extent that this is possible in current market conditions), the calculation of fair value is an inherently subjective process, particularly when data on observable transactions is sparse.

In 2008 and in the first half of 2009 market conditions were characterised by the near absence of liquidity in credit markets and a significant widening of credit spreads. In these market conditions, the estimation of the fair value of NIBC's residential mortgage loans, corporate loans, its own liabilities designated at Fair Value through Profit or Loss and the financial assets reclassified out of Held for Trading and Available for Sale categories is highly judgemental 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.

Gains (or losses) are recognised upon initial recognition only when such profits (or losses) can be measured by reference to observable current market transactions or valuation techniques based on observable market inputs.

Own liabilities designated at Fair Value through Profit or Loss

At 30 June 2009, the fair value of these liabilities was estimated to be EUR 2.953 million (31 December 2008: EUR 3.745 million). This portfolio was designated at Fair Value through Profit or Loss and is reported on the face of the Balance Sheet under the following headings:

- Financial Liabilities at Fair Value through Profit or Loss Own debt securities in issue;
- Financial Liabilities at Fair Value through Profit or Loss Debt securities in issue structured; and
- Financial Liabilities at Fair Value through Profit or Loss Subordinated liabilities.

NIBC considers the market for these liabilities inactive during the first half of 2009. Debt securities in issue structured consist of notes issued with embedded derivatives that are tailored to specific investors' needs. The return on these notes is dependent upon the level of certain underlying equity, interest rate, currency, credit, commodity or inflation-linked indices. The embedded derivative within each note issued is fully hedged on a back-to-back basis, such that effectively synthetic floating rate funding is created. Because of this economic hedge, the Income Statement is not sensitive to fluctuations in the price of these indices.

In the case of Debt securities in issue structured and Subordinated liabilities, the fair value of the notes issued and the back-to-back hedging swaps is determined using a valuation model developed by a third party employing Monte Carlo simulation, lattice valuations or closed formulas, depending on the type of embedded derivative.

For each class of own financial liabilities at Fair Value through Profit or Loss, the expected cash flows are discounted to present value using interbank zero-coupon rates. The resulting fair value is adjusted for movements in the credit spread applicable to NIBC issued funding.

The credit spread used to revalue these liabilities was based on observable issuance spreads (including guarantee fee) on NIBC's issue of EUR 1,5 billion of three year funding notes and of EUR 1,5 billion of five year funding notes issued in February 2009 and March 2009, respectively, combined with observed spread movements in the primary market for senior unsecured debt issued by financial institutions.

NIBC’s debt issues are guaranteed by the Dutch State under the Credit Guarantee Scheme. Whilst recognising that NIBC's obligations under this funding transaction are guaranteed by the Dutch State, NIBC believes that it provides an appropriate spread observation for revaluation purposes because the spread is based on a directly observable transaction and because other data on applicable credit spreads is sparse.

The observable Dutch State guaranteed funding credit spread includes a guarantee fee paid to the Dutch State that is based on NIBC’s credit rating as below A-. The guarantee fee is based on an average of market observed credit spreads for debt issuances of similar rated banks calculated by the Dutch State. In addition, NIBC paid a liquidity premium to the lenders, which is included in the credit spread applied for the 30 June 2009 valuation of the liabilities designated at Fair Value through Profit or Loss. Bearing in mind the market inactivity, both for cash and synthetic NIBC funding and protection, other market indicators such as Itraxx indices and credit curve developments support the reasonableness of the range in which the applied credit spread falls.

In addition, observations in the primary market for senior unsecured debt issued by financial institutions were used to calibrate the spread observed on NIBC’s transactions under the Credit Guarantee Scheme in the first quarter to spread developments in the second quarter. This market showed increased activity during 2009, improving the usefulness of the information.

The valuation of all the above classes of liabilities designated at Fair Value through Profit or Loss is sensitive to the estimated credit spread used to discount future expected cash flows. A 10 basis point change in the weighted average credit spread used to discount future expected cash flows would increase or decrease the fair value of these own liabilities as of 30 June 2009 by EUR 14.9 million (31 December 2008: EUR 15.0 million).

Residential mortgages

NIBC determines the fair value of residential mortgages (both those it holds in its own book and those it has securitised) by using a valuation model developed by NIBC. NIBC considers the market for these assets to be inactive during the first half of 2009. To calculate the fair value, NIBC discounts expected cash flows (after expected prepayments) to present value using inter bank zero-coupon rates, adjusted for a spread that principally takes into account the credit spread risk of the mortgages and uncertainty relating to prepayment estimates. In the absence of observable primary RMBS transactions in combination with the declining relevance of RMBS indices, NIBC has used observed mortgage rates as an additional benchmark to determine this spread.

On the basis of the available data on RMBS spreads and offered mortgage rates, NIBC concluded that in 2008 and the first half of 2009 the use of offered mortgage rates provides the best estimate of the spread that would be inherent in a hypothetical transaction at the balance sheet date motivated by normal business considerations. The underlying assumption underpinning the valuations is that professional market parties interested in building exposures in the residential mortgage market would be indifferent between originating the loans themselves or acquiring existing portfolios.

The offered mortgage rate is determined by collecting mortgage rates from other professional lenders sorted by product, loan to value class and the fixed rate period. The discount spread is derived by comparing the offered mortgage rate to the market interest rates taking into account the upfront mortgage offering costs embedded in the offered mortgage rate.

Prices for mortgage loans in the form of offered mortgage rates and the estimated prepayment rate are the most significant and subjective parameters used in the valuation of the residential mortgages as of 30 June 2009. The determination of the applicable offered mortgage rates and prepayment rates requires NIBC to make subjective judgements. A one basis point shift in either direction of the discount spread across the mortgage portfolio would have had either a positive or a negative impact as of 30 June 2009 of approximately EUR 3.7 million (31 December 2008: EUR 3.6 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 2009 of approximately EUR 4.7 million (31 December 2008: EUR 1.5 million) on the fair value of the mortgages.

Loans at Fair Value through Profit or Loss

Loans designated at Fair Value through Profit or Loss consist of assets that are traded in the secondary loan market or active syndications market. In an active market environment, these assets are mark-to-market by applying market bid quotes observed on the secondary market. The quotes received from other banks or brokers and applied in the mark-to-market process are calibrated to actual trades executed and settled to the extent possible.

During the first half of 2009 the secondary loan market experienced exceptionally low volumes and on the syndication market only a few deals could be used as pricing references for the Loans designated at Fair Value through Profit or Loss as at 30 June 2009. In certain instances, additional pricing reference points have been obtained by collecting spreads using primary transactions that are comparable with the loans in the Fair Value through Profit or Loss category.

A one basis point shift in the applicable credit spread in either direction would have an impact of EUR 0.40 million on the fair value of the Loans designated at Fair Value through Profit or Loss as at 30 June 2009 (31 December 2008: EUR 0.45 million).

Fair value of financial assets venture capital organisation within operating segment Merchant Banking

The Group estimates the fair value of its venture capital assets using valuation models, and it applies the valuation principles set forth by the International Private Equity and Venture Capital Valuation Guidelines to the extent these are consistent with IAS 39.

At 30 June 2009, the fair value of this portfolio was estimated to be EUR 292 million (31 December 2008: EUR 296 million). This portfolio is reported on the face of the Balance Sheet under Financial Assets at Fair Value through Profit or Loss on the line item Investments in associates (30 June 2009: EUR 193 million / 31 December 2008: EUR 188 million) and under Financial Assets at Available for Sale in the line item Equity investments (30 June 2009: EUR 99 million / 31 December 2008: EUR 108 million).

The fair value of equity investments is established by applying capitalisation multiples to maintainable earnings. Maintainable earnings are estimated based on the normalised trailing last twelve months' EBITDA, adjusted for one-off gains and losses. Capitalisation multiples are derived from the enterprise value and the normalised trailing last twelve months EBITDA at the time of the acquisition. At each balance sheet date, the capitalisation multiple of each equity investment is compared against those derived from the market capitalisation and publicly available earnings information of traded peers, where these can be identified. Peer capitalisation multiples are normalised for factors such as, amongst others, differences in regional and economic environment, time lags in earnings information, liquidity and one-off gains and losses.

The resulting enterprise value is adjusted for net debt, minority interests and management incentive plans to arrive at the fair value of the equity investment.

The determination of the fair value of unlisted financial assets in this manner is necessarily a subjective process. For the equity investments as at 30 June 2009, a 10% increase in the capitalisation multiples that the Group uses would have produced an increase in the fair value of the equity investments of approximately EUR 30.3 million (31 December 2008: EUR 32.8 million). A 10% decrease in capitalisation multiples would have produced a decrease in the fair value of the Equity investments as of 30 June 2009 of approximately EUR 30.3 million (31 December 2008: EUR 31.9 million).

Impairment of corporate Loans

NIBC assesses whether there is an indication of impairment of corporate loans classified as Available for Sale assets or as Loans and Receivables at Amortised Cost on an individual basis and at least quarterly. NIBC considers a range of factors that have a bearing on the expected future cash flows that it expects to receive from the loan, including the business prospects of the borrower and its industry sector, the realisable value of collateral held, the level of subordination relative to other lenders and creditors, and the likely cost and likely duration of any recovery process. Subjective judgements are made in the process including, among others, the determination of expected future cash flows and their timing, the market value of collateral, and market discount rates. Furthermore, NIBC's judgements change with time as new information becomes available, or as recovery strategies evolve, resulting in frequent revisions to individual impairments, on a case-by-case basis. NIBC regularly reviews the methodology and assumptions used for estimating both the amount and timing of future cash flows, to reduce any differences between loss estimates and actual loss experience.

If, as at 30 June 2009, for each of the impaired corporate loans, the net present value of the estimated cash flows had been 5% lower than estimated, NIBC would have recognised an additional impairment loss of EUR 5.1 million (31 December 2008: EUR 6.5 million). If, as at 30 June 2009, for each of NIBC's impaired corporate loans, the net present value of the estimated cash flows had been 5% higher than estimated, the impairment loss would have been reduced by EUR 5.1 million (31 December 2008: EUR 6.5 million).

Impairment of Equity investments classified as Available for Sale

NIBC determines an impairment loss on the Available for Sale Equity investments held in the investment portfolio of the venture capital organisation within the operating segment Merchant Banking when there has been a significant or prolonged decline in the fair value below its original cost (including previous impairment losses). NIBC exercises judgement in determining what is "significant" or "prolonged" by assessing, among other factors, whether the decline is outside the normal range of volatility in the asset's price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the company whose securities NIBC holds, a decline in industry or sector performance, adverse changes in technology or problems with operational or financing cash flows.

The level of the impairment loss that NIBC recognises in the Consolidated Income Statement is the cumulative loss that had been recognised directly in equity. If NIBC had deemed "significant" or "prolonged" all of the declines in fair value of Equity investments below cost, the effect would have been EUR 7.0 million (2008: EUR 2.2 million) reduction in the Profit before tax from continuing operations (Gains less losses from financial assets).

1. Segment reporting

Basis of segment preparation

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 reports on components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess segment performance.

NIBC is comprised of the following operating segments:

- Merchant Banking; and
- Specialised Finance.

Segment information for these two operating segments is presented in this Condensed Interim Financial Report on the same basis as used for internal reporting within NIBC.

Through the Merchant Banking business, NIBC advises, finances, and co-invests with its mid-cap 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 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 Interim Financial Report.

Segment reporting

The following table presents the results of the operating segments, including a reconciliation to the consolidated results under IFRS for the six months ended 30 June 2009 and 30 June 2008.

Operating segments

	Merchant Banking		Specialised Finance		Total (internal management report)		Consolidation Effects [1]		Total (Condensed Interim Financial Report)	
	first half of									
IN EUR MILLIONS	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income	25.5	23.9	2.2	74.0	27.7	97.9	(3.9)	-	23.8	97.9
Net fee and commission income	16.0	21.9	3.4	4.7	19.4	26.6	-	-	19.4	26.6
Dividend income	3.2	8.1	18.9	20.3	22.1	28.4	-	-	22.1	28.4
Net trading income	(6.3)	(0.2)	141.9	57.5	135.6	57.3	(1.8)	-	133.8	57.3
Gains less losses from financial assets	(31.1)	28.9	(5.0)	(0.8)	(36.1)	28.1	4.7	-	(31.4)	28.1
Share in result of associates	1.3	2.4	2.0	4.3	3.3	6.7	-	-	3.3	6.7
Other operating income	0.5	1.1	0.6	0.4	1.1	1.5	17.6	-	18.7	1.5
OPERATING INCOME	**9.1**	**86.1**	**164.0**	**160.4**	**173.1**	**246.5**	**16.6**	**-**	**189.7**	**246.5**
OPERATING EXPENSES	**26.6**	**39.8**	**44.9**	**56.2**	**71.5**	**96.0**	**18.4**	**-**	**89.9**	**96.0**
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-
Impairment of corporate loans	20.2	11.9	21.0	11.6	41.2	23.5	-	-	41.2	23.5
Impairment of other interest bearing assets	43.6	-	6.9	-	50.5	-	-	-	50.5	-
TOTAL EXPENSES	**90.4**	**51.7**	**72.8**	**67.8**	**163.2**	**119.5**	**18.4**	**-**	**181.6**	**119.5**
						-			-	-
RESULT BEFORE TAX	**(81.3)**	**34.4**	**91.2**	**92.6**	**9.9**	**127.0**	**(1.8)**	**-**	**8.1**	**127.0**
Tax	(17.9)	(0.3)	14.1	17.2	(3.8)	16.9	(1.4)	-	(5.2)	16.9
RESULT AFTER TAX	**(63.4)**	**34.7**	**77.1**	**75.4**	**13.7**	**110.1**	**(0.4)**	**-**	**13.3**	**110.1**
AVERAGE ALLOCATED ECONOMIC CAPITAL	365	365	1,035	985	1,400	1,350	-	-	1,400	1,350
AVERAGE UNALLOCATED CAPITAL	-	-	261	199	261	199	-	-	261	199
SEGMENT ASSETS	2,259	2,275	27,348	26,521	29,607	28,796	139	141	29,746	28,937
SEGMENT LIABILITIES	2,134	2,147	25,837	25,027	27,971	27,174	128	125	28,099	27,299

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

Transactions between segments are conducted on normal commercial terms and conditions. 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 Interim 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 33 million at 30 June 2009 (30 June 2008: EUR 43 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 30 million at 30 June 2009 (30 June 2008: EUR 38 million), total operating expenses to EUR 2 million (30 June 2008: EUR 4 million) and impairments to EUR 41 million (30 June 2008: 24 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 14 million at 30 June 2009 (30 June 2008: EUR 10 million).

- NIBC's capital position is managed within the segment Specialised Finance. During 2009 an average of EUR 365 million of economic capital was allocated from Specialised Finance to Merchant Banking (30 June 2008: EUR 365 million). The average before tax return on average economic capital for Merchant Banking was 3.7 % at 30 June 2009 (30 June 2008: 4.0 %).

Besides the allocations mentioned above, there are no further inter-segment revenues and expenses for the six months ended 30 June 2009 and 30 June 2008.

NIBC generated 104 % of its revenues in the Netherlands (30 June 2008: 102 %) and -4 % abroad (30 June 2008: -2 %). Due to negative trading income in the international branches in the first half of 2009 and the half of 2008, total operating income in these branches was negative.

2. Net trading income

Net trading income in the first half of 2009 of EUR 134 million reflects EUR 147 million of realised net gains on disposals of assets and liabilities (including repurchased liabilities) and EUR 13 million of net losses due to mark to market movements on assets and liabilities Held for Trading or designated at Fair Value through Profit or Loss.

3. Gains less losses from financial assets

IN EUR MILLIONS	30-Jun-09	30-Jun-08
EQUITY INVESTMENTS		
Gains less losses from equity investments (Available for Sale):		
Net gain/(losses) on disposal	1	10
Net revaluation gain/(losses) transferred from equity on disposal	1	24
Impairment losses equity investments	(8)	(7)
Investments in associates (equity method)		
Impairment losses investments in associates	(5)	-
Gains less losses from associates (Fair Value through Profit or Loss)	(20)	3
	(31)	**30**
DEBT INVESTMENTS		
Gains less losses from Debt investments (Available for Sale)	-	(2)
	-	(2)
	(31)	**28**

Impairment losses relating to Debt investments (Available for Sale) are presented under Impairment of other interest bearing assets.

4. Personnel expenses

The year to date average number of FTEs (excluding FTEs of non-financial companies included in the consolidation) decreased from 686 in June 2008 to 634 in June 2009.

5. Impairments of corporate loans and other interest bearing assets

IN EUR MILLIONS	30-Jun-09	30-Jun-08
IMPAIRMENTS		
Loans classified as Amortised Cost	73	2
Loans classified as Available for Sale	-	34
Debt investments classified as Amortised Cost	4	-
Debt investments classified as Available for Sale	15	-
	92	**36**
REVERSALS OF IMPAIRMENTS		
Loans classified as Amortised Cost	-	-
Loans classified as Available for Sale	-	(12)
Debt investments classified as Amortised Cost	-	-
Debt investments classified as Available for Sale	-	-
	-	**(12)**
	92	**24**

6. Tax

IN EUR MILLIONS	30-Jun-09	30-Jun-08
TAX DIFFERENCES CAN BE ANALYSED AS FOLLOWS:		
Result before tax from continuing operations	8	127
Tax calculated at the nominal Dutch corporate tax rate of 25.5% (2008: 25.5%)	2	32
Effect of different tax rates in other countries	(1)	(1)
Impact of income not subject to tax	(2)	(18)
Impact of expenses not deductible for tax purposes	1	4
Utilisation of previously unrecognised tax losses	(5)	-
	(5)	**17**
Effective tax rate	-62.5%	13.4%

The impact of income not subject to tax mainly relates to income from equity investments and 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 Bank N.V., NIBC Investments N.V. and NIBC Investment Management N.V., which all are part of the same fiscal entity.

7. Financial assets at Amortised Cost - Loans and receivables

Loans

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Loans	6,267	6,303
	6,267	**6,303**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE LOANS IS ANALYSED AS FOLLOWS:		
In three months of less	997	335
In more than three months but not more than one year	342	175
In more than one year but not more than five years	2,490	2,530
Longer than five years	2,438	3,263
	6,267	**6,303**

In the first six months of 2009 impairment losses on Loans at Amortised Cost increased by EUR 62 million. This increase consists of EUR 70 million of additional allowances, EUR - 11 million of write-offs and EUR 3 million due to foreign currency translation.

If NIBC had fair valued the loans classified as Amortised Cost using the valuation methodology applied to loans designated as Available for Sale as per 30 June 2009, then the balance sheet amount would decrease at the balance sheet date by EUR **843 million** (31 December 2008: EUR 432 million). This decrease reflects both changes due to interest rates and credit spreads. NIBC hedges its interest rate risk from these assets.

As of 1 July 2008 NIBC reclassified financial assets (application of amendments to IAS 39 and IFRS 7) from 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 believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified to Loans at Amortised Cost as per 1 July 2008.

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2009	Fair value as per 30 June 2009
RECLASSIFIED FROM AVAILABLE FOR SALE TO LOANS AND RECEIVABLES AT AMORTISED COST			
Corporate loan portfolio	3,621	3,615	3,049

The effective interest rates at reclassification date on Available for Sale Loans reclassified on 1 July 2008 ranged from 5% to 14% with expected recoverable cash flows of EUR 4,684 million. Ranges of effective interest rates were determined based on weighted average rates.

8. Financial assets at Amortised Cost - Loans and receivables
Debt investments

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Debt investments	652	738
	652	**738**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE DEBT INVESTMENTS IS ANALYSED AS FOLLOWS:		
In three months of less	27	1
In more than three months but not more than one year	38	39
In more than one year but not more than five years	350	223
Longer than five years	237	475
	652	**738**

In the first six months of 2009 impairment losses on Debt investments at Amortised Cost increased by EUR 4 million. No impairments were recorded in 2008 on Debt investments at Amortised Cost.

If NIBC had fair valued the Debt investments classified as Amortised Cost using the valuation methodology applied to Debt investments at Held for Trading or Available for Sale as per 30 June 2009, the balance sheet amount would decrease at the balance sheet date by EUR 265 million (31 December 2008: EUR 167 million). This decrease reflects both changes due to interest rates and credit spreads. NIBC hedges its interest rate risk from these assets.

As of 1 July 2008 NIBC reclassified financial assets (application of amendments to IAS 39 and IFRS 7) 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 financial assets for the foreseeable future or until maturity. NIBC believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified to Debt investments at Amortised Cost as per 1 July 2008.

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2009	Fair value as per 30 June 2009
RECLASSIFIED FROM AVAILABLE FOR SALE TO LOANS AND RECEIVABLES AT AMORTISED COST			
Debt investments	140	133	97
RECLASSIFIED FROM HELD FOR TRADING TO LOANS AND RECEIVABLES AT AMORTISED COST			
Debt investments	605	521	292

The effective interest rates at reclassification date on trading assets reclassified on 1 July 2008 ranged from 1% to 20% with expected recoverable cash flows of EUR 924 million.

The effective interest rates at reclassification date on Available for Sale Debt Investments reclassified on 1 July 2008 ranged from 5% to 8% with expected recoverable cash flows of EUR 196 million. Ranges of effective interest rates were determined based on weighted average rates.

9. Financial assets at Amortised Cost - Loans and receivables
Securitised loans

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Securitised loans	619	630
	619	**630**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE SECURITISED LOANS IS ANALYSED AS FOLLOWS:		
In three months of less	2	7
In more than three months but not more than one year	-	-
In more than one year but not more than five years	-	-
Longer than five years	617	623
	619	**630**

No impairments were recorded in the first six months of 2009 or 2008 on Securitised loans at Amortised Cost.

If NIBC had fair valued the securitised loans classified as Amortised Cost using the valuation methodology applied to loans designated as available for sale as per 30 June 2009, then the balance sheet amount would decrease at the balance sheet date by EUR 161 million (31 December 2008: EUR 136 million). The fair value reflects movements due to both interest rate changes and credit spread changes. NIBC hedges its interest rate risk from these assets.

10. Financial assets at Available for Sale
Debt investments

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Debt investments	220	35
	220	**35**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE DEBT INVESTMENTS IS ANALYSED AS FOLLOWS:		
In three months of less	-	-
In more than three months but not more than one year	69	-
In more than one year but not more than five years	145	7
Longer than five years	6	28
	220	**35**

In the first six months of 2009 impairment losses on Debt Investments at Available for Sale increased by EUR 15 million. This increase completely consists of EUR 15 million of additional allowances.

As of 1 July 2008 NIBC reclassified non-derivative trading financial assets (application of amendments to IAS 39 and IFRS 7), 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. NIBC believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

The following table discloses the fair value and carrying value of the financial assets reclassified to Debt investments at Available for Sale as per 1 July 2008.

IN EUR MILLIONS	Fair value on date of reclassification	Carrying value as per 30 June 2009	Fair value as per 30 June 2009
RECLASSIFIED FROM HELD FOR TRADING TO AVAILABLE FOR SALE			
Debt investments	48	1	2

The effective interest rates at reclassification date on trading assets reclassified on 1 July 2008 ranged from 13% to 26% with expected recoverable cash flows of EUR 1 million. Ranges of effective interest rates were determined based on weighted average rates.

11. Financial assets - designated at Fair Value through Profit or Loss
Loans

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Loans	1,123	1,136
	1,123	**1,136**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE LOANS IS ANALYSED AS FOLLOWS:		
In three months of less	-	9
In more than three months but not more than one year	-	-
In more than one year but not more than five years	631	728
Longer than five years	492	399
	1,123	**1,136**

12. Financial assets - designated at Fair Value through Profit or Loss
Residential mortgages own book

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Residential mortgages own book	6,007	6,201
	6,007	**6,201**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE RESIDENTIAL MORTGAGES OWN BOOK IS ANALYSED AS FOLLOWS:		
In three months of less	16	15
In more than three months but not more than one year	17	18
In more than one year but not more than five years	102	107
Longer than five years	5,872	6,061
	6,007	**6,201**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN RESIDENTIAL MORTGAGES OWN BOOK MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**6,201**	**5,285**
Additions (including repurchases from consolidated SPEs)	146	1,202
Disposals (sale and redemption, including replenishment of consolidated SPEs)	(315)	(400)
Changes in fair value	(25)	(82)
BALANCE AT 30 JUNE	**6,007**	**6,005**

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

Interest income from Residential mortgages own book is recognised in Interest and similar income based on the effective interest rate. Fair value movements (excluding interest) are recognised in Net trading income.

The maximum credit exposure including committed but undrawn facilities is EUR 6,046 million at 30 June 2009 (30 June 2008: EUR 6,198 million).

At 30 June 2009, EUR 749 million (30 June 2008: EUR 886 million) of credit protection by means of a guarantee structured in a synthetic securitisation (Provide Orange) was in place in connection with NIBC's Residential mortgages own book.

13. Financial assets - designated at Fair Value through Profit or Loss
Securitised residential mortgages

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Securitised residential mortgages	5,034	5,250
	5,034	**5,250**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE SECURITISED RESIDENTIAL MORTGAGES IS ANALYSED AS FOLLOWS:		
In three months of less	1	1
In more than three months but not more than one year	1	1
In more than one year but not more than five years	11	10
Longer than five years	5,021	5,238
	5,034	**5,250**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN SECURITISED RESIDENTIAL MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**5,250**	**6,356**
Additions	4	25
Disposals (sale and redemption, including sales to own book)	(241)	(896)
Changes in fair value	21	(54)
BALANCE AT 30 JUNE	**5,034**	**5,431**

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

Interest income from securitised residential mortgages is recognised in Interest and similar income at the effective interest rate. Fair value movements (excluding interest) are recognised in Net trading income.

At 30 June 2009, Securitised residential mortgages in the amount of EUR 5,034 million (30 June 2008: EUR 5,431 million) were pledged as collateral for NIBC's own liabilities.

The maximum credit exposure is EUR 5,034 million at 30 June 2009 (30 June 2008: EUR 5,431 million).

The change in fair value in 2008 and 2009 was determined by a discount spread basis point value calculation, which is based on a number of parameters such as the composition of the mortgage portfolio sorted by loan to value class and fixed rate period, the spread widening observed in the mortgage offer rates, the prepayment rates and the level of the interest rates.

Securitised residential mortgages are retained on NIBC's balance sheet based on the risks and rewards NIBC retains in the SPEs issuing the mortgage backed notes. Risks and rewards can be retained by NIBC by (amongst others) retaining issued notes, providing overcollateralisation to the SPEs or implementing reserve accounts in the SPEs. At 30 June 2009, NIBC retained EUR 61 million (30 June 2008: EUR 71 million) of notes issued by the SPEs, overcollateralisation provided to the SPEs amounted to EUR 35 million at 30 June 2009 (30 June 2008: EUR 33 million) and reserve accounts amounted to EUR 8 million at 30 June 2009 (30 June 2008: EUR 11 million).

14. Financial assets - designated at Fair Value through Profit or Loss Debt investments

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Held for Trading (non-government)	67	98
Designated as Fair Value through Profit or Loss	801	634
	868	**732**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE DEBT INVESTMENTS IS ANALYSED AS FOLLOWS:		
In three months of less	21	-
In more than three months but not more than one year	142	12
In more than one year but not more than five years	575	583
Longer than five years	63	39
	801	**634**

15. Financial assets - designated at Fair Value through Profit or Loss Enhanced investments

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Enhanced investments	984	1,079
	984	**1,079**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE ENHANCED INVESTMENTS IS ANALYSED AS FOLLOWS:		
In three months of less	116	67
In more than three months but not more than one year	504	555
In more than one year but not more than five years	364	457
Longer than five years	-	-
	984	**1,079**

16. Financial liabilities at Amortised Cost
Own debt securities in issue

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Bonds and notes issued	7,241	5,926
Fair value hedge adjustment	52	48
	7,293	**5,974**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:		
In three months of less	254	776
In more than three months but not more than one year	933	1,161
In more than one year but not more than five years	5,917	3,838
Longer than five years	189	199
	7,293	**5,974**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**5,974**	**9,035**
Issued	3,112	369
Disposals	(1,838)	(2,511)
Other movements and exchange differences	45	(130)
BALANCE AT 30 JUNE	**7,293**	**6,763**

For an amount of EUR 3,105 million of the issued debt securities in the first six months of 2009, the State of the Netherlands 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 Credit Guarantee Scheme of the State of the Netherlands and (II) the Guarantee Certificate issued under those Rules in respect of these Notes. Those Rules and that Guarantee Certificate are available at www.dutchstate.nl.

The disposals of Own debt securities in issue at Amortised Cost in the first six months of 2009 includes redemptions at the scheduled maturity date and repurchases of Debt securities (EUR 386 million) before the legal maturity date. The remaining legal maturity at time of repurchase of these Debt securities is between 1 month and 3 years.

17. Financial liabilities at Amortised Cost
Debt securities in issue related to securitised mortgages

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Bonds and notes issued	5,562	5,835
Fair value hedge adjustment	-	-
	5,562	**5,835**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES IS ANALYSED AS FOLLOWS:		
In three months of less	17	60
In more than three months but not more than one year	-	-
In more than one year but not more than five years	-	91
Longer than five years	5,545	5,684
	5,562	**5,835**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN DEBT SECURITIES IN ISSUE RELATED TO SECURITISED MORTGAGES MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**5,835**	**7,214**
Issued	-	34
Disposals	(273)	(817)
Other movements and exchange differences	-	(11)
BALANCE AT 30 JUNE	**5,562**	**6,420**

18. Financial liabilities - designated at Fair Value through Profit or Loss
Own debt securities in issue

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Bonds and notes issued	83	168
	83	**168**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE OWN DEBT SECURITIES IN ISSUE IS ANALYSED AS FOLLOWS:		
In three months of less	-	-
In more than three months but not more than one year	42	81
In more than one year but not more than five years	17	55
Longer than five years	24	32
	83	**168**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN OWN DEBT SECURITIES IN ISSUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**168**	**215**
Issued	-	40
Disposals	(81)	(95)
Changes in fair value	(3)	1
Exchange differences	(1)	(2)
BALANCE AT 30 JUNE	**83**	**159**

The disposals of Own debt securities in issue designated at Fair Value through Profit or Loss in the first six months of 2009 reflects the redemptions at the scheduled maturity date. 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.

19. Financial liabilities - designated at Fair Value through Profit or Loss
Debt securities in issue structured

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Bonds and notes issued	2,472	3,110
	2,472	**3,110**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE DEBT SECURITIES IN ISSUE STRUCTURED IS ANALYSED AS FOLLOWS:		
In three months of less	53	143
In more than three months but not more than one year	227	261
In more than one year but not more than five years	599	847
Longer than five years	1,593	1,859
	2,472	**3,110**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN DEBT SECURITIES IN ISSUE STRUCTURED MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**3,110**	**4,152**
Issued	13	9
Disposals	(477)	(858)
Changes in fair value	(148)	(195)
Exchange differences	(26)	(40)
BALANCE AT 30 JUNE	**2,472**	**3,068**

The disposals of Debt securities in issue structured designated at Fair Value through Profit or Loss in the first six months of 2009 includes redemptions at the scheduled maturity date and repurchases (EUR 169 million) of Debt securities in issue structured before the legal maturity date. The remaining legal maturity at time of repurchase of these Debt securities in issue structured is between 2 months and 10 years. 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.

20. Subordinated liabilities - Amortised Cost

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Subordinated loans qualifying as Tier-I capital	90	130
Other subordinated loans	44	99
	134	**229**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE SUBORDINATED LIABILITIES - AMORTISED COST IS ANALYSED AS FOLLOWS:		
In three months of less	-	56
In more than three months but not more than one year	1	30
In more than one year but not more than five years	121	1
Longer than five years	12	142
	134	**229**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN SUBORDINATED LIABILITIES - AMORTISED COST MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**229**	**236**
Additions	3	-
Disposals	(98)	-
Exchange rate differences	-	(10)
BALANCE AT 30 JUNE	**134**	**226**

The disposals of Subordinated liabilities at Amortised Cost in the first six months of 2009 includes redemptions at the scheduled maturity date and repurchases (EUR 42 million) before the legal maturity date.

21. Subordinated liabilities - designated at Fair Value through Profit or Loss

IN EUR MILLIONS	30-Jun-09	31-Dec-08
Subordinated loans qualifying as Tier-I capital	209	225
Other subordinated loans	189	242
	398	**467**

IN EUR MILLIONS	30-Jun-09	31-Dec-08
THE LEGAL MATURITY ANALYSIS OF THE SUBORDINATED LIABILITIES - FAIR VALUE IS ANALYSED AS FOLLOWS:		
In three months of less	-	51
In more than three months but not more than one year	-	-
In more than one year but not more than five years	22	113
Longer than five years	376	303
	398	**467**

IN EUR MILLIONS	30-Jun-09	30-Jun-08
THE MOVEMENT IN SUBORDINATED LIABILITIES - FAIR VALUE MAY BE SUMMARISED AS FOLLOWS:		
BALANCE AT 1 JANUARY	**467**	**497**
Additions	1	1
Disposals	(25)	(9)
Changes in fair value	(42)	(55)
Exchange rate differences	(3)	(11)
BALANCE AT 30 JUNE	**398**	**423**

The disposals of Subordinated liabilities at Fair Value through Profit or Loss in the first six months of 2009 includes redemptions at the scheduled maturity date and repurchases (EUR 21 million) before the legal maturity date. The 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.

22. Impact reclassification financial assets on Comprehensive Income (application of amendments to IAS 39 and IFRS 7)

As of 1 July 2008 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. NIBC believes that the deterioration of the world's financial markets that occurred during the course of 2008 represents a rare circumstance that allows such a reclassification.

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:

	For the period ended 30 June		
	2009		2008
IN EUR MILLIONS	After reclassification	Before reclassification	
Net interest income	86	81	145
Net trading income	(2)	(127)	(52)
Impairment of financial assets	(84)	(50)	(7)

If the reclassifications had not been made in 2008, the Income Statement for the first half of 2009 would have included a net of tax loss on the reclassified financial assets of EUR 69 million mainly due to incremental fair value losses. Additionally there would have been a further net of tax decrease in the first half of 2009 of EUR 234 million in Other Comprehensive Income (Revaluation Reserve) representing additional unrealised fair value losses on the reclassified financial assets Available for Sale which are not impaired.

23. Capital and shares

The parent company is NIBC Holding N.V., a company incorporated in the Netherlands.

Share capital

IN EUR MILLIONS	30-Jun-09	30-Jun-08
Paid up capital	80	80
	80	80

	30-Jun-09	30-Jun-08
THE NUMBER OF AUTHORISED SHARES IS SPECIFIED AS FOLLOWS:		
Number of authorised shares [1]	218,937,500	218,937,500
Number of shares issued and fully paid [2]	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.

24. Related party transactions

Transactions related to associates

As at 30 June 2009, NIBC had EUR 239 million of loans advanced to its associates (31 December 2008: EUR 245 million). Besides net interest income on these loans, NIBC earned EUR 2 million (first half of 2008: EUR 1 million) in fees from these associates.

Transactions involving NIBC's shareholders

In addition to the related party transactions disclosed in the Annual Financial Statements for the year ended 31 December 2008, significant related party transactions executed in 2009 concern the following:

- the loans advanced by NIBC to its parent and to entities controlled by its parent entity increased slightly in the six months of 2009 from EUR 455 million at 31 December 2008 to EUR 461 million at 30 June 2009; and

- in the first six months of 2009 no fees were paid to NIBC Holding N.V. (first half of 2008: EUR 0.4 million) related to asset management activities.

25. Legal proceedings

There were a number of legal proceedings outstanding against NIBC at 30 June 2009. No provision has been made, as legal advice indicates that it is unlikely that any significant loss will arise.

26. 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 at 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 mortgages commitments of EUR 40 million at 30 June 2009 and EUR 193 million at 30 June 2008, 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	30-Jun-09	30-Jun-08
Contract amount		
Committed facilities with respect to corporate loan financing	1,029	1,552
Guarantees granted	180	360
Irrevocable letters of credit	73	67
	1,282	1,979

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.

27. Subsequent events

At the date of publication there are not subsequent events.

Profile of NIBC

NIBC is a Dutch 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 corporate lending, leveraged finance, oil & gas services, infrastructure and renewables, real estate and shipping.

NIBC is an integrated, nimble and flexible organisation that reacts swiftly to the demands of its clients and markets. 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 has offices in The Hague, Brussels, Frankfurt, London, Singapore and New York.

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DISCLAIMER

Presentation of information

The Annual Accounts of NIBC Bank N.V. (“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 Interim Financial Report for the six months ended 30 June 2009 (the “Interim Financial Report”), the same accounting principles are applied as in the 2008 NIBC’s Annual Accounts. All figures in this Interim Financial Report are not audited and not reviewed. Small differences are possible in the tables due to rounding.

Cautionary statement regarding forward-looking statements

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

The Hague, 18 August 2009
Managing Board

Jeroen Drost, Chairman, Chief Executive Officer
Jan van Nieuwenhuizen, Vice-Chairman
Kees van Dijkhuizen, Chief Financial Officer
Rob ten Heggeler, Member
Jan Sijbrand, Chief Risk Officer