

Unaudited financial report or the six-month period ending 30 June 2014

**RWE Finance B.V.
's-Hertogenbosch, the Netherlands**

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Interim report of the directors

Interim report of the directors

During the period under review one new bond has been issued for an amount of EUR 300,000,000 and a maturity of 10 years. The proceeds were lent to RWE Benelux Holding B.V. with the same tenor. No bonds fell due in the first half year of 2014.

Furthermore the exchange rate for GBP-EUR increased from 1.199 at year end 2013 to 1.2477 as per end of June 2014.

The balance sheet total increased from EUR 12,813,328,000 to EUR 13,272,548,000 and the net result decreased with 8.3% to EUR 978,000 compared to the same period in 2013. The lower net result is mainly caused by lower gross financing volumes due to repayments in 2013 opposite to the new bonds and placements in the 2013 and 2014 at lower interest percentages.

During the period under review an interim dividend, as declared in December 2013, has been paid for EUR 1,800,000.

During the remaining period of the year 2014 EUR 530,000,000 bond and corresponding investment are due and have to be repaid. During 2015 EUR 2,000,000,000 are due and during 2016 EUR 850,000,000 will be due. Currently there are no concrete plans regarding replacements of these instruments.

All bonds have been issued under guarantee of RWE AG.

The Company intends to continue its operations as an intergroup finance company for the foreseeable future.

Risk management and use of financial instruments

As the proceeds of all the bonds are one on one lent to the parent company RWE AG, RWE Benelux Holding B.V. and nPower plc, both 100% group companies, the ability of the company to meet its obligations under the bonds depends upon the payment of the principal and interest due from the above mentioned group companies. No liquidity risk is present, due to the fact that the maturity mismatch between the assets and liabilities is limited to the equity of the company. The interest rate on the loans, which were issued to the parent company before 2008, is 0.0237% higher than the interest rate on the relating bonds. The loans issued in 2008 until the end of 2011 have an interest rate of 0.0225% higher than the interest rate on the relating bonds. For 2012 and 2013 the spread was again set at 0.0237%. Effective 2014 the spread is set at 0.03%.

On the loan issued to nPower plc an additional 0.6% is added to cover a guarantee fee payable to RWE AG. For the loan issued to RWE Benelux Holding B.V. in 2013 a guarantee fee at 0.3% is charged, payable to RWE AG. The loan issued in 2014 bears a guarantee fee of 0.35%. We furthermore refer to the disclosures in paragraph 4 of the notes.

Currency risk

The company's currency exposure mainly relates to positions and future transactions in British Pounds. However, as the bonds issued in foreign currencies have been one on one used to finance the loans to group companies a natural hedge has been obtained and therefore currency risk is largely eliminated.

Interest rate risk

The company's exposure to interest rate risk on interest-bearing receivables and interest-bearing long-term and current liabilities is limited as the bonds and loans issued all have corresponding tenors and fixed interest rates.

Credit risk

The loans to group companies have been granted to RWE AG, RWE Benelux Holding B.V. and nPower plc, being 100% group companies. The S&P rating for the group was confirmed at BBB+ outlook stable in July 2013. In June 2013 Moody's downgraded the group's rating. from A3, outlook negative, to Baa1, outlook stable.

Board

As per July 31, 2014 Mr. A. Blok resigned from his function as member of the Board of Directors of the Company. Mr. H. Dullens has been appointed as his successor as per August 19, 2014.

Responsibility Statement

"The Managing Directors of the Company hereby declare that to the best of their knowledge and in accordance with the applicable reporting principles for the financial reporting, the interim financial statements for the period ending 30 June 2014 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and that the Director's report referred to above gives a true and fair view concerning the position as per the balance sheet date, the development and performance of the business during the financial year of the Company together with a description of the principal risks that it faces."

's-Hertogenbosch, the Netherlands, 25 August 2014

The Directors,

M. Coenen

J. Stollenga

V. Heischkamp

H. Dullens

Interim Financial report for the six-month period ending 30 June 2014

Balance sheet
(before appropriation of result)

| | Ref. | 30 June 2014 | | 31 December 2013 | |
|--|------|--------------|------------|------------------|------------|
| | | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| <i>Assets</i> | | | | | |
| Non-current assets | | | | | |
| Financial assets | 5.1 | | 10,267,710 | | 11,778,932 |
| Current assets | | | | | |
| Receivables | 5.2 | 2,991,794 | | 1,023,190 | |
| Cash and cash equivalents | 5.3 | 13,044 | | 11,206 | |
| | | | 3,004,838 | | 1,034,396 |
| | | | 13,272,548 | | 12,813,328 |
| <i>Equity and liabilities</i> | | | | | |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital | 5.4 | 2,000 | | 2,000 | |
| Retained earnings | | 8,606 | | 6,426 | |
| Profit for the year | | 978 | | 2,180 | |
| | | | 11,584 | | 10,606 |
| Non-current liabilities | 5.5 | | 10,267,710 | | 11,778,932 |
| Current liabilities | 5.6 | | 2,993,254 | | 1,023,790 |
| | | | 13,272,548 | | 12,813,328 |

Income statement for the period

| | Ref. | Jan - Jun 2014 | | Jan - Jun 2013 | |
|--|------|----------------|---------|----------------|---------|
| | | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Finance costs | | | | | |
| Interest income | 6.1 | 348,191 | | 371,125 | |
| Interest expenses | 6.2 | (342,152) | | (366,635) | |
| Gross margin on interest | | | 6,039 | | 4,490 |
| General and administrative expenses | 6.3 | | (4,748) | | (3,083) |
| Operating income | | | 1,291 | | 1,407 |
| Income tax expense | 6.4 | | (313) | | (342) |
| Net result after taxation | | | 978 | | 1,065 |

Cash flow statement

| | Jan - Jun 2014 | Jan - Dec 2013 |
|---|---------------------------|---------------------------|
| | EUR'000 | EUR'000 |
| Cash flows from operating activities | | |
| Cash generated from operations: | | |
| Interest received | 378,112 | 751,373 |
| Interest paid | (366,889) | (744,081) |
| Expenses paid | (156) | (332) |
| Income tax expense | (640) | (885) |
| Guarantee fee paid | (6,656) | (4,222) |
| Net cash from operating activities | <u>3,771</u> | <u>1,853</u> |
| Cash flows from investment activities | - | - |
| Cash flows from financing activities | | |
| Issuance of long-term bonds | 300,000 | 1,250,000 |
| Issuance of long-term loans | (300,000) | (1,250,000) |
| Repayment of long-term bonds | - | (1,931,547) |
| Repayment of long-term loans | - | 1,931,547 |
| Dividends paid | (1,800) | (2,350) |
| Net cash used in financing activities | <u>(1,800)</u> | <u>(2,350)</u> |
| Net cash flows | 1,971 | (497) |
| Exchange and translation differences on cash and cash equivalents | 120 | 34 |
| Net increase/(decrease) in cash and cash equivalents | <u>2,091</u> | <u>(463)</u> |
| Cash and cash equivalents | | |
| Opening balance | 10,899 | 11,362 |
| Closing balance | 12,990 | 10,899 |
| Net increase/(decrease) in cash and cash equivalents | <u>2,091</u> | <u>(463)</u> |

Notes to the financial statements

1 General

1.1 Activities

The activities of RWE Finance B.V. are to facilitate the financing of RWE AG and group companies.

1.2 Group structure

RWE Finance B.V., incorporated on 14 February 2001, is a private limited liability company. As per 27 September 2010 the statutory seat of the company has changed from Hoofddorp to 's-Hertogenbosch, the Netherlands.

The parent company of RWE Finance B.V. is RWE AG in Essen, Germany. The financial statements of RWE Finance B.V. are included in the consolidated financial statements of RWE AG.

1.3 Accounting policies

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

1.4 Notes to the cash flow statement

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks, minus the current liabilities to group companies, representing the InHouseBank with Essent N.V.

Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

1.5 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

2 Accounting policies for the balance sheet

2.1 General

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes. The financial statements are expressed in EUR'000.

2.2 Foreign currencies

Transactions, receivables and payables

Transactions denominated in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the income statement.

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro, which is the functional and presentation currency of RWE Finance BV.

2.3 Financial assets

Loans to group companies included in financial assets are initially recognized at fair value, and subsequently carried at amortized cost.

Deferred premiums and discounts on loans to group companies are amortized over the term of the loans. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

The interest rate charged on loans to group companies has been set in conformity with the tax ruling obtained from the local tax authorities.

2.4 Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. When a trade receivable is not collectible, it is written off against the allowance account for trade receivables.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognized under bank overdrafts forming part of current liabilities. Cash and cash equivalents are stated at face value.

2.6 Non-current liabilities

Bonds included in non-current liabilities are initially recognized at fair value, net of transaction costs incurred. Bonds are subsequently carried at amortized cost.

Deferred premiums and discounts on bonds are amortized over the term of the loans using the effective interest method. The deferred part of the premiums and discounts is included under the receivables and current liabilities.

2.7 Current Liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

3 Accounting policies for the income statement

3.1 General

Results on transactions are recognized in the year in which they are realized; losses are accrued as soon as they are foreseeable.

3.2 Foreign currencies

Exchange differences resulting from settlement and translation are charged or credited to the income statement.

3.3 General and administrative expenses

General and administrative expenses include the expenses of the board of directors and the administration services outsourced to Essent Nederland B.V., starting 2012.

The guarantee fee that is due by RWE Benelux Holding B.V. and RWE nPower plc. is received by the company as part of their interest payments and accounted for and paid to RWE AG as an operating expense by the Company.

3.4 Interest income and expense

Income from financing activities is determined as interest income received from inter-company financing activities. Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for the transaction costs on loans received as part of the calculation of effective interest.

3.5 Taxation

Corporate income tax is calculated on the profit/loss before taxation in the income statement, taking into account tax-exempt items and non-deductible expenses, and using current tax rates.

3.6 Deferred income tax assets and liabilities

Deferred income tax assets and liabilities are recognized to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial

statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income taxes are recognized at face value.

4 Financial instruments

4.1 Market risk

Currency risk

The company's currency exposure mainly relates to positions and future transactions in British Pounds. However, as the bonds issued in foreign currencies have been one-on-one used to finance the loans to group companies a natural hedge has been obtained and therefore currency risk is eliminated.

Price risk

The company's price risk is limited as the bonds issued by the company have been one-on-one used to finance the loans to group companies. As a result a natural hedge has been obtained.

4.2 Interest rate risk

The Company's exposure to interest rate risk on interest-bearing receivables and interest-bearing long-term and current liabilities is limited as the bonds and loans issued all have fixed interest rates. The spread on loans amounts to 0.0237% for loans issued before 2008 and 0.0225% for loans issued thereafter till 2012. For 2012 and 2013 the spread was again 0.0237%. Effective 2014 the spread amounts to 0.03%

4.3 Credit risk

The loans to group companies have been granted to RWE AG, RWE Benelux Holding B.V. and nPower plc, being 100% group companies. The S&P rating for the group was confirmed at BBB+ outlook stable in 2013. In June 2013 Moody's announced a similar downgrade in rating from A3 to Baa1, outlook stable.

We furthermore refer to paragraph 5.1 of the notes to these financial statements.

4.4 Liquidity risk

The liquidity risk is minimal, because the proceeds of the bonds outstanding are one-on-one lent to RWE AG, RWE Benelux Holding B.V. and RWE nPower plc.

The interest rate on the loans to RWE AG, RWE Benelux Holding B.V. and RWE nPower plc. are higher than the interest rate on the related bonds.

5 Notes to the balance sheet

5.1 Financial assets

| | 2014 | 2013 |
|------------------|-------------|-------------|
| | EUR'000 | EUR'000 |
| 1 January | | |
| Book value | 11,778,932 | 11,160,270 |
| Movement | | |
| Loans | 300,000 | 1,250,000 |
| Exchange | 188,778 | (101,338) |
| Short-term | (2,000,000) | (530,000) |
| | (1,511,222) | 618,662 |
| 30 June | | |
| Book value | 10,267,710 | 11,778,932 |

The loans are to be repaid in the period between 2014 and 2039. During the period under review one new loan has been issued. The new loan is in EUR and is used to finance the group company RWE Benelux Holding B.V.

One loan for a total amount of EUR 530,000,000 will be repaid during the remaining part of 2014. The loans which are to be repaid between 1 July 2014 and 30 June 2018 amount to EUR 3,380,000,000.

Currency

The nominal amount of the loans to the parent company consists of four loans contracted in EUR amounting to EUR 3,360,000,000 and eight loans to the parent company contracted in GBP to a total amount of GBP 3,317,500,000 (EUR 4,139,114,161).

Furthermore five loans for a total amount of EUR 4,550,000,000 have been lent on to RWE Benelux Holding B.V., and one loan to nPower Plc for an amount of GBP 600,000,000 (EUR: 748,596,382). Both companies are a 100% group company.

Interest

The interest rates are fixed and vary as follows:

| Loan | Amount | Interest rate | |
|-------------|---------------|----------------------|---------|
| EUR | 7,910,000,000 | 2.1987% - | 6.6475% |
| GBP | 3,917,500,000 | 5.3737% - | 6.5237% |

5.2 Receivables

| | 30 June 2014 | | 31 December 2013 | |
|--|------------------|------------------|------------------|------------------|
| | Total | Term > 1 year | Total | Term > 1 year |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Short-term part of group loans | 2,530,000 | - | 530,000 | - |
| Interest receivable from group companies | 385,475 | - | 418,516 | - |
| Deferred premiums and discounts | 76,319 | 74,172 | 74,674 | 74,454 |
| | <u>2,991,794</u> | <u>74,172</u> | <u>1,023,190</u> | <u>74,454</u> |

5.3 Cash and cash equivalents

The cash and cash equivalents are at the free disposal of the company.

| | 30 June 2014 | 31 December 2013 |
|---------------------------------|-----------------|---------------------|
| | EUR'000 | EUR'000 |
| Current account group companies | 13,042 | 10,907 |
| Cash | 2 | 299 |
| Total cash and cash equivalents | <u>13,044</u> | <u>11,206</u> |

As per 30 June 2014 the deposit with the parent company amounted to EUR 13,042,459 (2013: 10,907,430 EUR). The deposit matures at 7 July 2014 and bears interest at 0.074%.

5.4 Equity attributable to equity holders of the parent

Share capital

The authorized share capital as at 30 June 2014 amounts to EUR 10,000,000 of which 20,000 shares of EUR 100 each have been issued and fully paid up. The breakdown of the share capital can be specified as follows:

| | 2014 | | 2013 | |
|--|---------------|---------------------------------|---------------|---------------------------------|
| | Shares | Share capital EUR'000 | Shares | Share capital EUR'000 |
| 1 January | | | | |
| Issued and fully paid-up | 20,000 | 2,000 | 20,000 | 2,000 |
| Movements financial year | | | | |
| Additionally paid-in capital | - | - | - | - |
| 30 June 2014 / 31 December 2013 | | | | |
| Issued and fully paid-up | 20,000 | 2,000 | 20,000 | 2,000 |

Retained earnings

| | 2014 | 2013 |
|--|-------------|-------------|
| | EUR'000 | EUR'000 |
| Balance as at 1 January | 6,426 | 5,761 |
| Additions from profit previous year | 2,180 | 2,466 |
| Dividends declared | - | (1,800) |
| Balance as at 30 June 2014 / 31 December 2013 | 8,606 | 6,426 |

Profit for the year

| | 2014 | 2013 |
|--|-------------|-------------|
| | EUR'000 | EUR'000 |
| Balance as at 1 January | | |
| Profit for the financial year | 978 | 2,180 |
| Balance as at 30 June 2014 / 31 December 2013 | 978 | 2,180 |

5.5 Non-current liabilities

This item relates to the issued bonds and is specified as follows:

| | 2014 | 2013 |
|---|-------------|-------------|
| | EUR'000 | EUR'000 |
| 1 January | | |
| Book value | 11,778,932 | 11,160,270 |
| Movements financial year | | |
| Bonds issued | 300,000 | 1,250,000 |
| Exchange differences | 188,778 | (101,338) |
| Short-term part of bonds transferred to current liabilities | (2,000,000) | (530,000) |
| | (1,511,222) | 618,662 |
| Balance as at 30 June 2014 / 31 December 2013 | | |
| Book value | 10,267,710 | 11,778,932 |

The bonds are to be repaid in the period between 2014 and 2039. Repayment of the principals of the bonds is guaranteed by RWE AG. In 2014 still EUR 530,000,000 has to be repaid.

The bonds which are to be repaid between 1 July 2014 and 30 June 2018 amount to EUR 3,380,000,000.

Currency

The nominal amount of the bonds consists of nine bonds contracted in EUR amounting to EUR 7,910,000,000 and nine bonds contracted in GBP to a total amount of GBP 3,917,500,000 (EUR 4,887,710,543).

Interest

The interest rates are fixed and vary as follows:

| Bond | Amount | Interest rate | |
|-------------|---------------|----------------------|--------|
| EUR | 7,910,000,000 | 1.875% - | 6.625% |
| GBP | 3,917,500,000 | 4.75% - | 6.50% |

5.6 Current liabilities

| | 30 June 2014 | | 31 December 2013 | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | Total | Term > 1 year | Total | Term > 1 year |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| Short-term part of bonds | 2,530,000 | - | 530,000 | - |
| Interest payable | 382,501 | - | 410,358 | - |
| Garuantee Fee payable | 4,442 | - | 6,385 | - |
| Dividend | - | - | 1,800 | - |
| Current account group companies | 54 | - | 307 | - |
| Corporate income tax | (349) | - | (38) | - |
| Accrued liabilities | 11 | - | 11 | - |
| Deferred tax liability | 276 | 244 | 293 | 260 |
| Deferred premiums and discounts | 76,319 | 74,172 | 74,674 | 74,454 |
| | <u>2,993,254</u> | <u>74,416</u> | <u>1,023,790</u> | <u>74,714</u> |

Deferred tax liability

| | 2014 | 2013 |
|--|------------|------------|
| | EUR'000 | EUR'000 |
| Balance at 1 January | 293 | 329 |
| | <u>293</u> | <u>329</u> |
| Movements | (17) | (36) |
| Balance at 30 June 2014 / 31 December 2013 | <u>276</u> | <u>293</u> |

During the coming year EUR 32,271 will be amortized to the Profit and Loss account.

Financial instruments

Financial instruments valued at cost

The table below shows financial instruments whose market value differs from cost.

| | <u>30 June 2014</u> | | <u>31 December 2013</u> | |
|--------------------------------|---------------------|-------------------|-------------------------|-------------------|
| | <u>Market value</u> | <u>Book value</u> | <u>Market value</u> | <u>Book value</u> |
| | EUR'000 | EUR'000 | EUR'000 | EUR'000 |
| <i>Financial assets</i> | | | | |
| Loans to group companies | 14,672,600 | 12,797,710 | 13,836,135 | 12,308,932 |
| <i>Non-current liabilities</i> | | | | |
| Bonds issued | 14,293,859 | 12,797,710 | 13,651,975 | 12,308,932 |

Financial assets

The market value of the loans to group companies is EUR 14,672,600 (2013: EUR 13,836,135). The market value of the loans to group companies is higher than the book value because they carry interest at a rate that is higher than the market rate.

Non-current liabilities

The market value of the bonds issued is EUR 14,293,859 (2013: EUR 13,651,975).

6 Notes to the income statement

6.1 Interest income

| | 30 June 2014 | 30 June 2013 |
|---|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Interest income group companies | 345,063 | 365,565 |
| Interest income on InHouseBank | 8 | 0 |
| Release deferred premiums and discounts | 3,120 | 5,560 |
| | <u>348,191</u> | <u>371,125</u> |

6.2 Interest expenses

| | 30 June 2014 | 30 June 2013 |
|---|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Interest expenses bonds issued | 339,029 | 361,075 |
| Interest expenses on InHouseBank | 3 | 0 |
| Release deferred premiums and discounts | 3,120 | 5,560 |
| | <u>342,152</u> | <u>366,635</u> |

6.3 General and administrative expenses

| | 30 June 2014 | 30 June 2013 |
|-------------------------|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Guarantee Fee | 4,592 | 3,022 |
| Advisory fees | 37 | 11 |
| Administrative expenses | 43 | 28 |
| Other | 76 | 22 |
| | <u>4,748</u> | <u>3,083</u> |

PricewaterhouseCoopers Accountants N.V. was appointed as auditor of the financial statements of the Company. The composition of the fees paid to the auditor, as included in advisory fees, is as follows:

| | 30 June 2014 | 30 June 2013 |
|---|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Audit of the Financial Statements | 11 | 11 |
| Professional services Debt Issuance Program | 26 | 0 |
| Total audit fees | <u>37</u> | <u>11</u> |

6.4 Income tax expense

| | 30 June 2014 | 30 June 2013 |
|--|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Result before taxation | 1,290 | 1,407 |
| Total permanent and timing differences | - | - |
| Taxable amount | <u>1,290</u> | <u>1,407</u> |
| Income tax charge | 313 | 342 |
| Effective tax rate | <u>24.2%</u> | <u>24.3%</u> |

The average effective tax rate amounts to 24.2%. The statutory rate is 20% for the first EUR 200.000 and for the remaining result 25% for the year 2014 (25% for 2013).

6.5 Employees

During 2014 and 2013 the company did not employ any personnel. Mr. A. Blok resigned as Board member per July 31, 2014. Mr. H. Dullens has been appointed as member of the Board per August 19, 2014.

6.6 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors, other key management of RWE Finance B.V. or the ultimate parent company and close relatives are regarded as related parties.

The parent company RWE AG, nPower plc and RWE Benelux Holding B.V. qualify as related parties. We also refer to the notes 5.1, 5.2, 5.3 and 5.6. Transactions carried out by the company with related parties are all based on arm's length terms and conditions.

The related party positions within the balance sheet can be specified as follows:

| | 30 June 2014 | 31 December 2013 |
|---|-------------------------|-----------------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Loans including deferred premium and discount | 12,756,783 | 12,260,228 |
| Interest receivable on the above loans | 385,475 | 418,516 |
| Deposit | 13,042 | 10,907 |
| InHouseBank balance | (54) | (307) |
| Guarantee fee payable | (4,442) | (6,385) |
| | <u>13,150,804</u> | <u>12,682,959</u> |
| Total related parties in the balance sheet | | |

The related party positions within the income statement for the period ending 30 June can be specified as follows:

| | 30 June 2014 | 30 June 2013 |
|---|---------------------|---------------------|
| | <u>EUR'000</u> | <u>EUR'000</u> |
| Interest on loans | 345,050 | 365,558 |
| Amortisation premium and discount | 3,120 | 5,560 |
| Interest on deposit | 13 | 7 |
| Interest income on InHouseBank | 8 | 0 |
| Interest expense on InHouseBank | (3) | 0 |
| | <u>348,188</u> | <u>371,125</u> |
| Total related parties in the income statement | | |

's-Hertogenbosch, the Netherlands, 25 August 2014

Board of directors,

M. Coenen

J. Stollenga

V. Heischkamp

H. Dullens

Other information

Proposed profit appropriation

According to article 27 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

Events after the balance sheet date

In July 2014 S&P confirmed the rating of RWE AG and RWE Finance B.V. at BBB+, outlook stable.