

NIBC Holding N.V.

(a limited liability company incorporated under the laws of The Netherlands, with its corporate seat in The Hague)

and

Stichting Administratiekantoor NIBC Holding

(a foundation under the laws of The Netherlands, with its corporate seat in The Hague)

Offer of up to 1,500,000 depositary receipts for ordinary shares of NIBC Holding N.V.

Up to 1,500,000 depositary receipts (*certificaten van aandelen*) for ordinary shares of NIBC Holding N.V. (the "**Depositary Receipts**" and the "**Company**" respectively) are being offered in this offering (the "**Offer**") by Stichting Administratiekantoor NIBC Holding (the "**Foundation**").

In order to correct the dilution as a result of the recent issuance of ordinary shares of the Company with a value of €400 million, persons who own depositary receipts for ordinary shares of the Company at the date of this prospectus ("**Current Holders**" and the "**Prospectus**" respectively) may subscribe for Depositary Receipts up to 42.79% of their current holding, rounded to the closest whole number.

Separately, as an incentive, employees of the Company and its subsidiaries are given the opportunity to subscribe for Depositary Receipts. To the extent that not all 1,500,000 Depositary Receipts are subscribed for by Current Holders, such employees will be allocated Depositary Receipts on a pro rata basis. As the Foundation is bound to an issuance of a maximum of 1,500,000 Depositary Receipts in the Offer, the pro rata share may have to be rounded down. If all 1,500,000 Depositary Receipts are subscribed for by Current Holders, employees will not be allocated any Depositary Receipts under this incentive structure.

All persons to whom Depositary Receipts are offered are collectively referred to as "**Offerees**". Offerees may subscribe for Depositary Receipts between 11 June 2008 at 8:00 a.m. CET and 24 June 2008 at 5:00 p.m. CET (the "**Subscription Period**"). The Depositary Receipts will be allocated on 25 June 2008.

On the Settlement Date (as defined below), the Company will issue to the Foundation the number of ordinary shares corresponding to the number of Depositary Receipts subscribed to in the Offer and as soon as possible thereafter the same number of Depositary Receipts will be issued by the Foundation to subscribers to the Depositary Receipts. Payment for and delivery of the Depositary Receipts is expected to occur on or about 30 June 2008 (the "**Settlement Date**").

A copy of the Prospectus can be obtained at the offices of the Company and at F. Van Lanschot Bankiers N.V. which administers the Depositary Receipts. We will inform subscribers regarding the results of the Offer on our intranet or by other means, as appropriate, in due course after the end of the Subscription Period.

In this Prospectus, the "Company," "we," "our," "us" and similar terms refer to NIBC Holding N.V. and its subsidiaries unless the context indicates or requires otherwise. For the avoidance of doubt, the term "our employees" refers to employees of the Company and of its subsidiaries.

See "**Risk Factors**" beginning on page 8 to read about certain factors that should be considered before purchasing Depositary Receipts.

Offer Price: €9.06 per Depositary Receipt

The timetable for the Offer may be extended (See "The Offer - timetable"). Any extension of the timetable for the Offer will be announced by us on our intranet or by other means, as appropriate, at least one day before the expiration of the original timetable for the Offer. Any extension of the timetable for the Offer will be for a minimum of one full business day.

This document constitutes a prospectus for the purposes of Article 3 of the Prospectus Directive (2003/71/EC) and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**Financial Supervision Act**") and the rules promulgated there under. This Prospectus has been approved by and filed with the Netherlands Authority for the Financial Markets (the "**AFM**").

Prospectus dated 9 June 2008

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
SUMMARY.....	3
RISK FACTORS	8
PRESENTATION OF FINANCIAL AND OTHER INFORMATION.....	20
IMPORTANT INFORMATION.....	22
FORWARD-LOOKING STATEMENTS.....	23
DIVIDENDS AND DIVIDEND POLICY.....	24
REASON FOR THE OFFER AND USE OF PROCEEDS.....	26
CAPITALISATION.....	27
INDUSTRY OVERVIEW AND TRENDS.....	28
BUSINESS.....	30
SELECTED CONSOLIDATED FINANCIAL DATA.....	34
OPERATING AND FINANCIAL REVIEW.....	37
RISK MANAGEMENT.....	82
REGULATION, COMPLIANCE AND INTERNAL AUDIT.....	83
MANAGEMENT AND SUPERVISORY BOARD.....	91
PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.....	118
DESCRIPTION OF THE SHARE CAPITAL, DEPOSITARY RECEIPTS AND CORPORATE GOVERNANCE.....	121
TAXATION.....	131
THE OFFER.....	135
PLAN OF DISTRIBUTION.....	137
SELLING AND TRANSFER RESTRICTIONS.....	138
INDEPENDENT AUDITORS.....	140
GENERAL INFORMATION.....	141
GLOSSARY OF SELECTED TERMS.....	143
INDEX TO FINANCIAL STATEMENTS.....	147

SUMMARY

This summary must be read as an introduction to the more detailed information appearing elsewhere in this Prospectus. Any decision to invest in any Depositary Receipts should be based on a consideration of this Prospectus as a whole, including in particular the risks of investing in the Depositary Receipts set out in "Risk Factors". This summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Depositary Receipts.

No civil liability will attach to us in respect of this summary, including the summary of the Offer and the summary consolidated financial data included herein, or any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a state within the European Economic Area, the plaintiff may, under the national legislation of the state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Overview of the Company

We are a leading merchant bank focused on the mid-cap company segment in North-Western Europe. We offer innovative corporate finance, risk management and investment management solutions to corporate clients, financial institutions, institutional investors and financial sponsors. We and our affiliates have employees based in offices in The Hague, London, Brussels, Frankfurt, New York and Singapore. We are organised into six Strategic Business Units ("SBUs"): Corporate Finance, Real Estate Markets, Financial Markets, Principal Investments, Investment Management and Corporate Center. Our strategy is built around the following four pillars:

multi-product client franchises

We focus on providing lending, credit fixed-income and other financial products and services to mid-cap company clients in specific industry segments, and investment products to institutional investors in the global capital markets.

product / market combinations

The range of products offered is based on our core skill of assessing and managing credit fixed-income risk and products, focusing on certain geographic markets and industry segments for each of the products. As such, we offer innovative corporate finance, risk management and investment solutions based on a combination of strategic advice and capital structuring expertise.

asset portfolio management

We have built a core skill of assessing and managing credit fixed-income risk. Through our investment management franchise, we offer our institutional investor clients the opportunity to benefit from this expertise. We are expanding its investment management activities by developing investment funds for private equity / mezzanine, infrastructure and real estate investments.

collateralised funding & distribution

We have the ability to structure our assets using a variety of funding and distribution alternatives, including funds, syndication, securitisation and secondary loan trading.

The managing board of the Company (the "**Managing Board**") is currently preparing changes to our business model. We expect these changes to be presented in the course of June 2008.

Our operating income totalled €146 million in 2007. As at 31 December 2007, we had total assets of €32.4 billion, shareholders' equity of €1,690 million and 722 employees (full time equivalents or "**FTEs**").

Recent Developments

In December 2005, a consortium of international financial institutions and investors organised by J.C. Flowers & Co. LLC ("**J.C. Flowers & Co.**") and ultimately controlled by New NIB Ltd., a company incorporated under the laws of Ireland ("**New NIB Ltd.**") (collectively, the "**Consortium**") purchased all of the outstanding equity interests of NIB Capital N.V. (the "**Consortium Acquisition**"). Consequently New NIB Ltd. has indirect control over us. In connection with this acquisition, the Company was formed and NIB Capital N.V. became its wholly owned subsidiary. Subsequently, we changed our brand name from "NIB Capital" to "NIBC."

In 2006, we disposed of our majority equity interests in two investment management related businesses. The first sale, completed in February 2006, was a disposal of our 56% equity interest in Harcourt Investment Consulting ("**Harcourt**"), a Swiss based hedge fund manager, on which we generated a one-off net profit of €35 million. In June 2006, we completed the sale of our 60% equity interest in NIBC Wealth Management ("**Wealth Management**"), a provider of wealth management services for high net worth individuals, to the partners of Wealth Management that held the remaining equity interests. The disposal of our interest in Wealth Management did not have a material impact on our net profit for 2006. In August 2006, we reached an agreement to sell NIBC Bank (NA) N.V., our subsidiary based in Curacao in The Netherlands Antilles. The transaction closed on 21 November 2006. As with the sale of Wealth Management, this transaction had no material impact on our net profit for 2006.

During the first quarter of 2007, we prepared for a listing on Euronext Amsterdam. However in light of the volatile market conditions, it was decided not to approach the capital markets for an initial public offering. Furthermore, our subsidiary NIBC Bank N.V. ("**NIBC Bank**") suffered a mark-to-market loss on its U.S. asset backed securities ("**ABS**") investment book in 2007, a part of which relates to the sub prime-related portfolio. In August 2007 our shareholders entered into an agreement with Kaupthing Bank hf. to sell and purchase the entire share capital of the Company for approximately €2,985 million. However, due to the instability in the financial markets Kaupthing and we have determined not to proceed with the contemplated transaction.

In 2007 and 2008 our credit ratings were reduced to Baa1 by Moody's Investors Service ("**Moody's**"), to BBB+ by Standard & Poor's (a division of McGraw-Hill, Inc., "**Standard & Poor's**"), and to A- by Fitch Ratings Ltd. ("**Fitch**").

We successfully raised €400 million new cash equity in the first quarter of 2008. Funding was provided in the form of a subscription for newly issued ordinary shares in our share capital. The shares were fully paid up on 6 May 2008.

Summary of Risk Factors

Before investing in the Depositary Receipts, Offerees should consider carefully, together with the other information contained in this Prospectus, the factors and risks relating to an investment in the Depositary Receipts described in "Risk Factors," including the following risks:

- Market conditions could adversely affect our business;
- Operational risks are inherent in all our operations, and may disrupt our businesses or result in losses or other damage;

- Our business is concentrated in Western Europe and therefore sensitive to regional economic developments;
- Inadequacy of our risk management policies and procedures may leave us exposed to unidentified or unanticipated risks;
- Credit risks expose us to losses caused by financial or other problems experienced by our clients or other third parties;
- Fluctuations in credit spreads could negatively impact our results;
- Changes in interest rates, and failure to properly hedge interest rate risk, could adversely affect our results of operations and financial condition;
- Our liquidity depends on our continued ability to fund our operations;
- A credit rating downgrade would significantly increase our funding costs;
- Our strategy could be unsuccessful or less successful than we anticipate;
- We may fail to effectively identify or execute strategic acquisitions or investments, and if we do pursue such transactions we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner;
- We depend upon the Dutch residential mortgage market for a significant portion of our income;
- We rely on third parties to distribute and service residential mortgages to and for the public in The Netherlands;
- We rely on distributing our loans in the capital markets;
- Changes in certain tax laws and tax treaties or in their interpretation could harm our business;
- We could suffer damage to our reputation that would lead clients to withdraw their business;
- Employee misconduct is difficult to deter and detect and could harm our reputation and business;
- Our business depends on our ability to attract and retain our senior management;
- Our ability to attract and retain key professional personnel is critical to the success of our business;
- We may suffer losses not covered by insurance;
- Our relationship with entities advised by J.C. Flowers & Co. may cease or change if such entities cease being significant shareholders, which may result in a loss of synergies we gain from this relationship;
- We may face legal liability to our clients and affected third parties as well as regulatory action;
- We face strong competition from other financial institutions and other financial services providers;
- The financial services industry is subject to extensive regulation which limits our activities and may result in losses or other damage for us;
- The transferability of the Depositary Receipts is limited;

- We are controlled by a consortium of private investors organised by J.C. Flowers & Co. The Consortium and Mr. J.C. Flowers will be in a position to exert significant influence on us. The interests of the Consortium and Mr. J.C. Flowers may differ from those of other shareholders and holders of Depositary Receipts;
- Fluctuations in our financial results from quarter to quarter may cause the price of the Depositary Receipts to decline;
- We may not be able to pay, maintain or increase dividends.

Corporate Information

We are a limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, with our corporate seat in The Hague, The Netherlands. Our trade register registration number is 27282935. Our business address is Carnegieplein 4, 2517 KJ, The Hague, The Netherlands.

Summary of the Offer

The Company	NIBC Holding N.V.
The Foundation	Stichting Administratiekantoor NIBC Holding.
The Depositary Receipts	Up to 1,500,000 depositary receipts (<i>certificaten van aandelen</i>) for ordinary shares of the Company to be issued by the Foundation to subscribers.
The Offer	The offering of Depositary Receipts by the Foundation to Offerees.
Offerees	All persons to whom Depositary Receipts are offered in the Offer.
Subscription Period	The period in which Offerees may subscribe for Depositary Receipts. The subscription period commences on 11 June 2008 at 8:00 a.m. CET and will, subject to extension of the timetable for the Offer, end on 24 June 2008 at 5:00 p.m. CET time.
Offer Price	The Depositary Receipts are offered in this Offer at an offer price of €9.06.
Allocation	The process whereby subscribers in the Offer are allocated a number of Depositary Receipts. Subscribers in the Offer may receive a smaller number of Depositary Receipts than they subscribe for.
Settlement Date	The date on which payment for and delivery of the Depositary Receipts is expected to occur. This date is expected to be on or about 30 June 2008.
Reason for the Offer	The Offer is intended to give Current Holders an opportunity to participate in our share capital also in the light of a recent increase of our share capital in which Current Holders could not participate. The Offer also contains an incentive structure for our employees.
Use of Proceeds	The proceeds of the Offer are expected to be used for general corporate purposes.

RISK FACTORS

Before investing in the Depositary Receipts, Offerees should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus. If any of the following risks actually occurs, our business, results of operations, financial condition or prospects could be materially adversely affected. In that event, the value of the Depositary Receipts could decline, and Offerees may lose part or all of their investment. The risks and uncertainties described below are those that we believe are material, but these risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, results of operations, financial condition or prospects and could negatively affect the price of the Depositary Receipts.

Offerees should carefully review this entire Prospectus and should reach their own views and decisions on the merits and risks of investing in the Depositary Receipts in light of their own personal circumstances. Furthermore, Offerees should consult their financial, legal and tax advisers to carefully review the risks associated with an investment in the Depositary Receipts.

Risks Related to Our Business

Market conditions could adversely affect our business.

Our business is materially affected by conditions in the financial markets in which we operate as well as in the global financial markets. Difficult market and economic conditions and resulting market uncertainty may have an adverse effect on the demand for our services and products, and could increase price competition, thereby decreasing our revenues. As a result, our operating income would likely decline and, if we were unable to similarly reduce expenses, our operating profit margins would erode and our liquidity would be impaired. The most material effects of difficult market conditions on our various activities are as follows:

- *Current credit and liquidity crisis.* International financial markets currently suffer from a severe credit and liquidity crisis. We have also experienced a negative impact from these circumstances. In 2007 and 2008 we were affected by this crisis: large mark-to-market losses on our assets as well as funding markets that were closed for us had a material impact on our business. In reaction to major mark-to-market losses in the US, we sold and marked down our U.S. subprime and commercial mortgage backed securities ("CMBSs")/ commercial real estate collateralised debt obligations assets. Moreover, we started a large number of liquidity actions as a reaction to the closed funding markets. However, we can not assure that a continuation of the credit and liquidity crisis will not influence our business going forward.
- *Lending.* Income from our lending activities is directly related to pricing margins as well as the size and number of transactions in which we participate. A downturn or high level of volatility in the financial markets may lead to a decrease in the number or size of these transactions and a corresponding decrease in the income we derive from these activities. In addition, a downturn or high level of volatility in the financial markets may lead to an increase in defaults on loans or higher levels of non-performing assets.
- *Distribution.* We distribute our securitised debt and other financial products to investors as a means of earning income, raising funds and managing risk. A downturn or high level of uncertainty in the financial markets could have a negative impact on investor appetite for these products. Under such circumstances, our income could be reduced, we could face difficulty in raising funds, and we could be exposed to increased credit or, in some cases, credit spread risk as a result of assets (including, in particular, residential mortgages) being

held on our balance sheet without being securitised for an extended period. 'Credit spread' is the spread above a given reference rate for a debt security, given a certain maturity, generally set as a function of market conditions, and linked to the creditworthiness of the underlying issuer of the security.

- *Trading activities.* We engage in trading in various financial and securities markets, including derivatives markets, and we are therefore exposed to losses in the event of adverse market movements (whether up or down) in specific securities, baskets of securities, indices and the market generally. Weakness or low levels of activity in the global capital markets, including diminished trading volumes of securities, could adversely impact our trading business.
- *Investment activities.* We maintain investment positions in various financial and other assets, including retained equity tranches and mezzanine interests in our securitisations (including residential mortgage backed securities ("**RMBs**") and CMBs, collateralised debt obligations ("**CDOs**") and collateralised loan obligations ("**CLOs**")), some positions in equity tranches of third party securitisations, fixed income and related derivative instruments and private equity interests in certain businesses and investment funds. Our investment activities are exposed to a number of risks related to the movement of market prices in these assets, as well as deterioration of general economic conditions and changes in financial markets. These risks include unfavourable market price movements relative to long or short positions we have taken with the intent of benefiting from upward or downward movements in asset prices, a decline in the market liquidity of the related assets (and thus the ability to execute a trade at the prevailing market price) and volatility in market prices or interest rates relating to these positions. The valuation of our assets may decline due to fair value adjustment charges to our consolidated income statement or to shareholders' equity on our consolidated balance sheet. Such fair value adjustment effects are based on certain assumptions and judgements we make in the implementation of International Financial Reporting Standards ("**IFRS**"), and may differ from the practices carried out by certain of our competitors.
- *Investment performance.* The value of the private equity and mezzanine interests we hold in our Principal Investments SBU's portfolio may suffer significant losses due to bankruptcy, operational failures or other problems at the companies in which we maintain interests. In addition, during market downturns companies may be less willing to participate in mergers and acquisitions activity, which could affect the value of our investments and restrict opportunities for divestment. Any fluctuation in our trading position or in the asset value of our investment portfolio could result in losses and adversely affect our financial condition and results of operations.
- *Asset management and incentive fees.* Certain of our revenues, including in particular those of our Investment Management SBU, are derived from fees based on the value of the assets under management ("**AUM**") and will decrease in the event of, among others, a decline in the value of those assets and/or due to loss of client mandates, poor investment performance or weak markets.

In the event of a decline in general economic and trading activity due to adverse global or regional market conditions, we could experience a material adverse affect on our business, results of operations or financial condition for the above or other reasons.

Operational risks are inherent in all our operations, and may disrupt our businesses or result in losses or other damage.

Our businesses and operations are complex, and are dependent on processing a large number of complex transactions across diverse and numerous products, while subject to a number

of different legal and regulatory regimes. This high level of complexity creates significant operational risks. We face operational risks arising from errors made in the confirmation or settlement of transactions or from transactions not being properly recorded, documented, evaluated, verified or accounted for. Although we do not provide retail brokerage services, our businesses are highly dependent on our ability to process, document and execute, on a rapid basis, a large number of transactions across several and diverse markets and in multiple currencies. The transactions we process have become increasingly complex, and we consequently rely heavily on our financial, accounting and other data processing systems, and on certain models used to, among others, determine the fair value of certain financial instruments. If any of our systems do not operate properly, are unstable or are disabled, if any such models contain significant errors, or if we are unable to improve our identity and access management procedures, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention, errors in our financial reporting, or reputational damage. If our systems are unable to accommodate an increasing volume of data, our ability to expand our businesses could be constrained. In addition, the business continuity plans we have in place to provide data backup and alternative trading facilities and to address system and other disruptions are currently being upgraded and may prove inadequate or fail, in part or entirely. Our insurance policies do not provide coverage for losses or damages due to business interruption, and should our business continuity plans prove inadequate or fail we could face costs or liabilities related to any disruption in our activities.

We also face operational risks with respect to certain financial models we use in the course of our business operations. Our selection and development of such financial models may also have an impact on pricing and valuation of certain of our assets and liabilities, and may have an impact on the accuracy of our risk management analysis. Our use of financial models creates risks of human error, incorrect theoretical assumptions or otherwise unanticipated results. Our risk management policies and procedures with respect to validation of our financial models may be unable to eliminate model risk completely.

Our business is concentrated in Western Europe and therefore sensitive to regional economic developments.

We intend to continue to focus our business on Western Europe. As a result, our income and profitability are primarily driven by market conditions in this region. Factors which impact economic conditions in Western Europe include, but are not limited to: the current credit and liquidity crisis, interest rates, the extent of investment activity, employment rates, individual government and EU monetary and economic policies and regulation and political conditions in the region. Certain factors may be specific to countries or regions within Western Europe or have a different impact outside of Western Europe, where some of our competitors operate. We can offer no assurance that economic conditions in Western Europe will improve or not worsen, nor can we provide assurance that we will be able to effectively take advantage of any changes in economic conditions.

A continuation of the current credit and liquidity crisis, a decline in gross domestic product (GDP) growth or other deterioration of general economic conditions could lead to decreased lending activity and higher defaults and losses, any of which could negatively impact our lending and distribution activities and results of operations.

Inadequacy of our risk management policies and procedures may leave us exposed to unidentified or unanticipated risks.

We engage in risk management activities to systematically monitor and manage credit, market, investment, liquidity and operational risk. These risk management policies and procedures may not be fully effective in identifying, monitoring, mitigating and managing our risks. The actions we take to address credit, market, investment and liquidity risk include entering into

hedging transactions to address market risks related to our asset origination and trading activities and prescribing limits on the amount of credit risk per counterparty or per country that we may incur in our lending and capital markets activities. These hedging transactions may include over-the-counter derivative contracts or the purchase or sale of securities, financial futures, options or forward contracts. If any of the variety of instruments and strategies we use to hedge our exposure to credit, market, investment and liquidity risks are not effective in fully covering our risks, we may incur losses. Unexpected market developments may in the future also affect a number of our hedging strategies. Certain of our hedging strategies and other methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not correctly predict future risk exposures, which could be significantly greater than historical results indicate.

To manage risk, we depend on our evaluation of information regarding markets, issuers and investors. We can give no assurance that this information will in all cases be accurate, up-to-date and properly evaluated. Our policies and procedures may not be fully effective in managing these risks. If the measures which we use to identify, monitor and manage risks prove insufficient, we may experience unanticipated disruption of our operations and consequent losses which could have a material adverse effect on our business, results of operations and financial condition.

Credit risks expose us to losses caused by financial or other problems experienced by our clients or other third parties.

We face the risk that third parties that owe us money, securities or other assets will not perform, or will be unable to perform, their obligations. These third parties include borrowers and other clients, trading and other counterparties (including swap and derivative counterparties), clearing agents, exchanges, governments, other financial intermediaries or institutions as well as issuers whose securities we hold, or have credit exposure on through credit derivative instruments, any of whom may default on their obligations to us due to bankruptcy, lack of liquidity, operational failure, economic or political conditions or other reasons. In particular, we may suffer significant losses from our credit exposure as a result of defaults by borrowers or a decline in value of assets we hold due to potential defaults or deterioration in third-party creditworthiness. The majority of the assets in our corporate loan portfolio are below investment grade, and are almost all rated between "BBB" and "B" according to our internal rating methodology. We may, in particular, be unable to mitigate credit risk of our sub-investment grade borrowers. In the event of borrower non-performance, any collateral we hold may prove to be insufficient and our distressed assets team may be unable to recover the outstanding amounts.

Non-performing companies, segments or activities to which we have relatively large exposures may negatively influence our results. We may suffer significant losses from concentration of credit exposure to one or more large financial or other institutions, that could either impact us specifically or the financial markets generally by causing widespread default or losses. In addition, the information that we use to manage our credit risk may be inaccurate, out-of-date, improperly evaluated or incomplete, preventing us from managing our credit risk effectively. The provisions and fair value adjustments we make in respect of credit losses are based upon estimates and assumptions, and may prove to be insufficient.

We face the risk that the value of the collateral we hold against our corporate loan portfolio or other assets could decline, causing a corresponding decrease in the market value of our assets. If collateral quality substantially deteriorates, the value of the assets on our consolidated balance sheet may deteriorate due to fair value adjustment charges to our consolidated income statement or to shareholders' equity resulting from revaluation at fair market value. Decline in collateral quality may also cause an increase in impairment charges which would impact our operating results.

A decline in the value of our assets resulting from actual or potential non-performance by third parties, borrower default, our failure to mitigate risk, reduced fair value adjustment

revaluations or other causes could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in credit spreads could negatively impact our results.

Changes in the prevailing credit spread environment over time could adversely affect our portfolios and cause us to incur fair value adjustment losses in our consolidated income statement or shareholders' equity, adversely affecting our operating results. There can be no assurance that we will be able to successfully manage the credit spread risk relating to our loan portfolio, the assets we have warehoused for securitisation or other assets (including certain securitised assets) we maintain on our balance sheet.

Changes in interest rates, and failure to properly hedge interest rate risk, could adversely affect our results of operations and financial condition.

Our operating income is affected by changes in the level of prevailing interest rates. Differences in timing between re-pricing periods or contractual maturities of our assets and our liabilities could result in increased interest expenses which are not offset by increased interest income.

Our hedging activities may not be effective in hedging our interest rate risk effectively. Changes in interest rates also tend to influence the nature of our lending activities. A higher interest rate environment typically leads to greater demand for more complex credit fixed income products which are a key focus for us. By contrast, a lower interest rate environment typically leads to greater demand for plain vanilla loans which do not allow us to utilise our client knowledge and relationships as effectively. In addition, the value of fixed income securities in our portfolios is affected by interest rate fluctuations. We have open interest rate positions in a number of trading books as well as interest rate mismatch books. In these interest rate mismatch books, we try to profit from differences between short-term and long-term interest rates as is common practice in the financial industry. Adverse changes in interest rates could affect these trading or mismatch books and cause us to incur fair value adjustment revaluation losses in our consolidated income statement and shareholders' equity, adversely affecting our operating results.

Our liquidity depends on our continued ability to fund our operations.

Ready access to funding is essential to our business. Maintaining access to sufficient funding is necessary for a continuation of our lending activities and the continued growth of our business. An inability on our part to access funding in the money markets, the capital markets or otherwise may lead to an inability to finance our operations and meet our short-term financial obligations as they fall due, which in turn could materially adversely affect our results of operations and financial condition. Our access to sufficient funding may be impaired by our level of indebtedness as well as, among other factors, our credit rating, any significant action taken by regulatory authorities against us or by harm to our reputation. In addition, our ability to access sufficient funding may be impaired by factors that are not specific to us, such as general market conditions, severe disruption of the financial markets or negative views about the prospects for the industries or regions in which we operate.

A credit rating downgrade would significantly increase our funding costs.

Our access to sufficient funding, as well as our funding costs, is adversely related to our credit ratings. In 2007 and 2008 our credit ratings were reduced to Baal by Moody's, to BBB+ by Standard & Poor's, and to A- by Fitch. The impact of this reduction has not yet been fully reflected in our funding costs as certain of the borrowing we had in place prior to the reduction has not yet matured. We can offer no assurance that any rating agency will not at some time in the future

further reduce our credit rating or place us on "credit watch" which would further increase our funding costs, with a corresponding impact on our net interest income and our operating profit.

Any further downgrade in our credit rating, or being placed on "credit watch," could result in an increase in our funding costs which could undermine our ability to fully execute our strategy and have a material adverse effect on our business, results of operations, financial condition and prospects.

Our strategy could be unsuccessful or less successful than we anticipate.

Our ability to execute our strategy, as discussed further in "Business – Strategy" will depend on a variety of factors which are to some degree within our control, such as our ability to attract clients and investors and our skill in structuring and executing transactions, as well as factors completely outside of our control, such as global economic conditions, interest rates and demand for certain products. We cannot be certain that our strategy will be a success or whether it will meet our aims and objectives.

We may fail to effectively identify or execute strategic acquisitions or investments, and if we do pursue such transactions we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.

We may selectively pursue opportunities to acquire or make investments in businesses, products, technologies or innovations which complement our business and strategy. We may not be able to identify suitable acquisitions or investments, or if we do, we may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions or investments we may pursue in the future could entail risks, including:

- difficulties in realising cost, income or other anticipated benefits or synergies from the acquired entity or investment, including the loss of key employees or intellectual property from the acquired entity or investment;
- costs of executing the acquisition or investment, including financial costs, business disruption and increased management attention;
- potential for undermining our strategy, our customer relationships or other elements critical to the success of our business;
- inadequate due diligence or errors in valuation or assessment of the acquisition or investment;
- liabilities or losses resulting from our control of the acquired entity or investment, including inherited legal claims; and
- difficulty integrating the acquired business, including difficulty in adapting acquired technology to our own systems.

If we pursue acquisitions or investments in the future and experience any of the above or other difficulties, our business, results of operations or financial condition could be materially adversely affected.

We depend upon the Dutch residential mortgage market for a significant portion of our income.

A primary source of operating income for our Real Estate Markets SBU are Dutch residential mortgages. The residential mortgage market in The Netherlands is mature and we face significant competition in originating new mortgages. If, due to competitive or other factors, the size of our mortgage portfolio declines, we will experience a decline in our net interest income.

In addition, a downturn in or stagnation of the Dutch economy, demographic changes that significantly reduce demand for housing, a decline in property values in The Netherlands, changes

in or abolition of the tax deductibility of interest payments on residential mortgage loans in The Netherlands, increased interest rates or a continuing reduction in the number of mortgage refinancings (whether caused by increasing interest rates or otherwise) could lead to a decrease in the origination of new mortgage loans, and increased default rates on existing mortgage loans, and in general have an adverse effect on the overall Dutch residential mortgage market. A downturn in this market could result in margin pressure on residential mortgages. If a downturn in the Dutch residential mortgage market occurs at a time when we have a high level of mortgages on our balance sheet or when we are not able to securitise, we face a higher level of credit spread and credit risk on the warehoused assets than we would face if we were able to engage in securitisation.

We rely on third parties to distribute and service residential mortgages to and for the public in The Netherlands.

Our Real Estate Markets SBU relies for a large portion of its operating income upon distributing residential mortgages that we originate through insurance companies, high street mortgage brokers and mortgage packagers who act under contract as our distribution partners. Our agreements with our distribution partners typically provide for our partners to act as contact with the intermediaries, while we act as lender and are responsible for the determination of all terms and conditions of the individual mortgages, including acceptance criteria and interest rates. If we, together with our distribution partners, fail to successfully distribute residential mortgages, our origination volumes will decline. If such partners fail to fulfil the terms of our agreements with them, we may face violations of law or regulations or other misconduct on the part of our distribution partners or on the part of intermediaries, which could result in reputational damage, loss of business or regulatory action for us.

Our distribution contracts are typically non-exclusive, leaving us exposed to the risk that our distribution partners may offer competitors' products and services in preference to our own. If we are unable to retain our current relationships with our most significant distribution partners, attract new distribution partners to replace any we lose, or if our distribution partners prefer selling our competitors' products over our own, we would face difficulty in originating new residential mortgages and could suffer a material adverse effect on our business, results of operations and financial condition.

In addition we have outsourced the servicing and administration of our residential mortgages, including borrower payment processing and other administrative functions, to specialised third-party service providers. If such servicers fail to apply our acceptance criteria to applicants, fail to fulfil the terms of our agreements with them, or otherwise fail to adequately service these mortgages, we may provide mortgage loans that do not fit within our acceptance criteria, and we could experience difficulties in receipt of payments, damage to our reputation and loss of new originations which could harm our results of operations.

We rely on distributing our loans in the capital markets.

If we have difficulty distributing residential mortgages, European commercial real estate mortgages, or other assets that we have specifically originated with a view to distribute them through securitisation in the capital markets, we may have to hold assets on our balance sheet for an extended period, exposing us to a higher level of credit spread and credit risk on the assets than we would face if we were able to engage in securitisation. We may be unable to manage or adequately hedge the risk that the fair market value of the assets we carry on our balance sheet may decline, resulting in a fair value adjustment in our consolidated income statement or shareholders' equity on our consolidated balance sheet. In addition, failure to transfer a measure of credit spread and credit risk to investors could require us to hold higher levels of risk weighted assets for Dutch Central Bank reporting purposes, which could weaken our Tier-1 capital ratio and decrease our asset velocity, which would negatively affect our operations.

Although we sell the majority of the equity tranche notes and mezzanine interests of our securitisations which we issue, we still face a risk of default loss from, or re-valuation of, those interests we retain. In addition, we maintain pre-payment risk on the residential mortgages and other fixed income products we originate (whether or not they have been securitised), and could be faced with pre-payment behaviour that differs from our expectations. If the mortgages are pre-paid sooner than we expect, this could lead to gains or losses as a result of hedging transactions previously entered into in connection with such mortgages and could negatively affect our results of operations.

In addition, when securitising, we face the risk that the spread between the interest we earn for lending in the financing markets and the interest we pay for issuing securitised debt products in the capital markets may decline, which would negatively affect our results of operations.

Changes in certain tax laws and tax treaties or in their interpretation could harm our business.

Our results of operations could be harmed by changes in tax laws and tax treaties or the interpretation thereof, changes in corporate tax rates and by the refusal of tax authorities to issue or extend advanced tax rulings. The unavailability of tax rulings could diminish the range of structured transactions we can enter into with our clients. In addition, any limitation or abolition of the tax deductibility of residential mortgage interest in The Netherlands could significantly undermine the ability of Dutch home buyers to finance residential property purchases, potentially increasing default rates as well as causing a decrease in residential mortgage originations in The Netherlands and undermining our ability to originate and securitise residential mortgages. Further, changes in the laws and tax treaties among the jurisdictions in which we provide our products and services could undermine demand for our products. Any of these or other changes in the tax regimes in which we operate could have a material adverse effect on our business, results of operation and financial condition.

We could suffer damage to our reputation that would lead clients to withdraw their business.

To attract and retain clients, we depend to a large extent on our relationships with our existing clients and our reputation for integrity and high-quality professional services. As a result, if a client is not satisfied with our service, the damage we suffer may be greater than simply the loss of that client's future business. Client perception of a conflict of interest between two or more of our SBUs, or within an SBU, could also damage our reputation and undermine demand for our services. Any negative publicity, including factually inaccurate negative publicity, could damage our reputation, cause existing clients to withdraw their business and potential customers to use our competitors and lead to greater regulatory scrutiny. Negative publicity could arise from any number of sources, including litigation, press speculation, employee misconduct, operational failures and current and future investigations by regulatory authorities. We could also experience negative publicity and reputational damage as a result of the misconduct of our distribution partners or intermediaries they work with, our joint venture partners or acquired businesses.

Employee misconduct is difficult to deter and detect and could harm our reputation and business.

We face the risk of loss due to our employees' lack of knowledge or wilful violation of laws, rules and regulations or other misconduct. Misconduct by employees happens in the financial services industry and could involve, among other things, the improper use or disclosure of confidential information, violation of laws and regulations concerning financial abuse and money laundering, or embezzlement and fraud, any of which could result in regulatory sanctions or fines as well as serious reputational or financial harm. Misconduct by employees, including violation of our own internal risk management policies, could also include binding us to transactions that exceed authorised limits or present unacceptable risks, or hiding unauthorised or unsuccessful activities, which, in either case, may result in unknown and unmanaged risks and losses. It is not

always possible to deter employee misconduct and ensure our risk management policies are followed, and the precautions we take to detect such activity may not be effective. The direct and indirect costs of employee misconduct can be substantial.

Our business depends on our ability to attract and retain our senior management.

Our continued success is due in large part to our experienced management team. The personal reputation, judgement, business generation capabilities and project execution skills of our senior management are a critical element in securing and maintaining client engagements and conducting our operations. Accordingly, the departure or other loss of one or more members of senior management, each of whom manages substantial client relationships and possesses substantial experience and expertise, could materially adversely affect our ability to secure and successfully complete transactions, resulting in a material adverse effect on our results of operations. In addition, losing the services of one or more members of senior management could negatively impact our ability to hire, retain, train and manage qualified personnel. There is no guarantee that the compensation arrangements and non-competition agreements we have entered into with members of senior management are sufficiently broad or effective to prevent them from resigning to join our competitors or that the non-competition agreements would be upheld if we were to seek to enforce our rights under these agreements.

Our ability to attract and retain key professional personnel is critical to the success of our business.

A shortage of key personnel in the financial services industry in The Netherlands may make it difficult for us to execute our strategy. Competition for qualified employees in key support areas and in the financial services industry generally has intensified greatly in recent years and may become even more intense in the future. Our ability to execute our strategy and to compete effectively depends on our ability to attract a significant number of new employees each year and to retain and motivate our current employees. If we are unable to hire and retain sufficiently trained or experienced personnel, or hire them in sufficient numbers, our business (including our risk management and regulatory compliance functions) may suffer as a result and we could experience a material adverse effect on our business, results of operations or financial condition.

We may suffer losses not covered by insurance.

We seek to maintain insurance policies covering our properties and employees with policy specifications and insured limits which we believe are adequate and appropriate under the circumstances and in accordance with industry norms. Risks insured against generally include fire, flood, theft and public liability. There are, however, certain types of risks that we and others are not insured against, such as losses from wars or acts of terrorism or civil liability for environmental damages or business interruption, either because they are uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital invested in an asset, as well as the anticipated future revenue from the asset, or suffer the amount of any uninsured liability we may incur. Any such losses could materially adversely affect our business, results of operations, and financial condition.

Our relationship with entities advised by J.C. Flowers & Co. may cease or change if such entities cease being significant shareholders, which may result in a loss of synergies we gain from this relationship.

We believe our relationship with entities advised by J.C. Flowers & Co. provides us with access to a broad knowledge base and network, which we expect will benefit our overall growth and specifically our Financial Institutions activities. Our relationship with J.C. Flowers & Co. may cease if such entities cease being significant shareholders. An end to or a material change in our

relationship with J.C. Flowers & Co. could result in a loss of access to this knowledge base and network, and could have a material adverse effect on our financial condition and results of operations.

We may face legal liability to our clients and affected third parties as well as regulatory action.

Our businesses involve complex analysis and the exercise of professional judgement. Our activities may subject us to the risk of significant legal liabilities to our clients and third parties, including shareholders of our clients who could bring securities class actions against us. Potential claimants could seek damages based upon, among other things:

- unenforceability or other disputes regarding the terms of our work in structuring, documenting and administering various financial products and instruments;
- our residential mortgages or the improper servicing and administration thereof;
- our actions as principal, agent, adviser, intermediary, market maker or other party in executing transactions;
- tax or accounting treatment of various structured products and services;
- compliance with applicable laws, regulations and rulings with respect to the sale of the products and services we, our distribution partners and their intermediaries provide; and
- alleged poor performance of investment portfolios we manage on behalf of third parties.

In recent years, the volume of claims and amount of damages claimed in litigation and regulatory proceedings have been increasing across the financial services industry. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time.

Our engagements typically include broad indemnities from our clients and provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. As a result, we may incur significant legal expenses in defending litigation and being ordered to pay damages or in agreeing to pay settlements. Substantial legal liability or significant regulatory action against us could have material adverse financial effects or cause significant reputational harm to us, which could seriously harm our business prospects.

Risks Related to Our Industry

We face strong competition from other financial institutions and financial services providers.

The financial services industry in general is intensely competitive, and we believe will remain so. The Netherlands, in particular, is a relatively mature market, with a high level of competition. During the last five years, increased market globalisation has heightened competition from global and regional investment and merchant banks, financial institutions and other financial services providers that operate in regions where we have a presence. We compete on the basis of numerous factors, including the quality of our advice, our client focus and ability to provide specialised and tailored products, our quality and efficiency in structuring our products and delivering our services, timely delivery, as well as our reputation and price. Larger and better capitalised competitors, or competitors with more specialised product offerings or closer relationships to companies in our target markets, may be better able to respond to changes in the financial services industry, to enter into product areas in which we specialise, to better compete for skilled personnel, to finance larger acquisitions, to fund internal growth and to compete for market share, as a result of which we could lose market share or experience slower growth.

Large commercial banks, insurance companies and other financial institutions and financial services providers may have the ability to offer a wider range of lending, asset management and transactional products, which may enhance their competitive position. Our competitors may also seek to increase their offerings to the mid-cap segment that is the focus of our business, thereby gaining market share from us. We may experience pricing pressures in our areas of operation in the future as our competitors seek to obtain market share by reducing prices or offering services at attractive prices.

The financial services industry is subject to extensive regulation which limits our activities and may result in losses or other damage for us.

As a participant in the financial services industry, we are subject to extensive regulation. We are required to hold licences for our operations and are subject to regulation and supervision by governmental organisations in all jurisdictions in which we operate. Current regulations are pervasive and new regulations are introduced frequently. Such regulations may, among other things, restrict our business or require us to incur significant costs. The requirements imposed by regulators in jurisdictions in which we operate are designed to ensure the integrity of financial markets and to protect clients and other third parties who deal with us and are not designed to protect our shareholders.

We face the risk of significant intervention by regulatory authorities in all jurisdictions in which we conduct our business, including extended investigation and surveillance activity, adoption of costly or restrictive new regulations and judicial or administrative proceedings. Among other things, we could be fined, prohibited from engaging in some of our business activities or subjected to limitations or conditions on our business activities. New laws or regulations, or changes in the enforcement of existing laws or regulations, may also adversely affect our business. Significant regulatory or legal action against us could have a material financial effect or cause significant reputational harm to us, which in turn could adversely affect our business prospects. See "Regulation, Compliance and Internal Audit" for a further discussion of the regulatory environment in which we conduct our businesses.

Risks Related to the Depositary Receipts

The transferability of the Depositary Receipts is limited.

Holders of Depositary Receipts cannot trade in the Depositary Receipts amongst each other or with third parties. Pursuant to the administration conditions relating to the Depositary Receipts (the "**Administration Conditions 2007**") the Depositary Receipts can only be transferred to either the Foundation or the Company. Such transfer may only take place in accordance with the Administration Conditions 2007 during an open period and after approval of our supervisory board (the "**Supervisory Board**") has been obtained. An open period generally is the 21-day period following the date of approval of our annual, semi-annual or quarterly results. The Supervisory Board has up until the date of this Prospectus never approved such a transfer to either the Foundation or the Company. This means that the transferability of the Depositary Receipts is very limited.

Further, in certain circumstances, such as *inter alia* the holder of Depositary Receipts ceasing to be an employee or the bankruptcy of a holder of Depositary Receipts, the Foundation may at its own discretion demand transfer of the Depositary Receipts against payment of an amount representing fair market value applicable at the time of the relevant event. Up until the date of this Prospectus the Foundation has exercised this right a number of times.

We are controlled by a consortium of private investors organised by J.C. Flowers & Co. The Consortium and Mr. J.C. Flowers will be in a position to exert significant influence on us. The interests of the Consortium and Mr. J.C. Flowers may differ from those of other shareholders and holders of Depositary Receipts.

The Consortium and Mr. J.C. Flowers are in a position to exert significant influence over the outcome of matters relating to us, including but not limited to appointments to our Managing Board and Supervisory Board as well as the approval of significant transactions. The Consortium's significant shareholdings in us may have the effect of making certain transactions more difficult without the support of the Consortium and Mr. J.C. Flowers and may have the effect of delaying or preventing an acquisition or other change in control of us. The interest of the Consortium or its individual members, including Mr. J.C. Flowers, may differ from the interests of other shareholders and holders of Depositary Receipts.

Fluctuations in our financial results from quarter to quarter may cause the price of the Depositary Receipts to decline.

We may experience significant variations in income and profits during the year. Compared to our larger, more diversified competitors in the financial services industry, we generally experience greater period-to-period variations in our income and profits due to our dependence on a relatively small number of transactions the timing of which are often uncertain and are not always within our control for a relatively large proportion of our income. As a result, our earnings can be significantly affected if any particular transaction is not completed successfully or delayed (both because of lost income and because of expenses we may already have incurred in connection with such transaction).

In addition, IFRS requires certain financial assets and liabilities (such as derivatives) to be accounted for at fair market value. Under IFRS, we have also opted for certain other assets and liabilities (such as residential and commercial mortgages) to be accounted for in the same manner. We therefore account for changes in the fair market value of these assets and liabilities between periods in our consolidated income statement. Consequently, our results of operations, particularly those of our Financial Markets and Real Estate Market SBUs, and our shareholders' equity may prove volatile from period to period. As mentioned above, if we are unable to meet the hedge accounting requirements of International Accounting Standards ("IAS") 39, this could lead to further volatility in our results of operations and shareholders equity from period to period. As a result of these and other factors, the price of the Depositary Receipts could be adversely affected.

We may not be able to pay, maintain or increase dividends.

We aim to pay a regular dividend to our shareholders and holders of Depositary Receipts (provided it does not adversely impact our credit rating). However, our ability to pay, maintain or increase dividends is based on many factors, including but not limited to the dividend amount distributed in respect of the previous financial year, our realised net profit, expected levels of growth, anticipated levels of capital expenditures, the level of net interest income we earn from our assets, our ability to successfully originate and distribute mortgages and other loan products, the level of demand for our advisory services and investment products, the level of our debt repayments, the impact of regulatory capital requirements, our ability to control costs and our need to direct funds towards growth or acquisitions. A change in any such factor could affect our ability to pay, maintain or increase dividends, and the exact amount of any dividend paid may vary from year to year. We can give no assurance as to our ability to pay, maintain or increase dividends. See "Dividends and Dividend Policy" for a description of our dividend policy.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

We transitioned to IFRS, using the IFRS 1 first time adoption rules with a transition date of 1 January 2004 and an adoption date of 1 January 2005. Our adoption of IFRS has had a material impact on our results of operations and financial condition. In this Prospectus we present audited financial statements for the Company, prepared in accordance with IFRS, including IAS 32 and 39 (referring to the presentation, recognition and measurement of financial instruments), for the twelve month periods ended 31 December 2007, 2006 and 2005.

In connection with the Consortium Acquisition, we were incorporated as NIBC Holding N.V. on 9 December 2005 and, on 14 December 2005, acquired 100% of the shares of NIBC N.V., which at that time was called NIB Capital N.V. Although our 2005 financial statements are issued in our name, NIBC Holding N.V., they effectively represent a continuation of the financial statements of NIBC N.V. The assets and liabilities, retained earnings and other equity balances of our 2005 financial statements are those of NIBC N.V. immediately prior to the Consortium Acquisition on 14 December 2005, adjusted for movements through to 31 December 2005. The number and type of equity instruments issued reflect those of NIBC Holding N.V. As NIBC Holding N.V. was a newly incorporated entity with negligible assets and liabilities just before the acquisition of NIBC N.V., the creation of NIBC Holding N.V. had no material impact on the financial statements of NIBC N.V. On 6 March 2007, a legal merger became effective between us and our wholly-owned subsidiary NIBC N.V. Consequently, NIBC N.V. has ceased to exist, and we now hold directly all assets previously held by NIBC N.V., including all the outstanding shares in the share capital of NIBC Bank N.V. For further details on our group structure, see "General Information – Organisational Structure."

Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements, and we therefore also report the comparative figures for Harcourt and Wealth Management for 2005 as "result from discontinued operations." As a result, throughout this Prospectus, save where indicated to the contrary, Harcourt and Wealth Management are treated as discontinued operations for 2006 and 2005.

The AuM figures in this Prospectus also include investments by us in equity tranches of our own notes and in our own fund, Distinct (being €710 million as per 31 December 2007, €311 million as per 31 December 2006 and €173 million as per 31 December 2005). The AuM figures were as follows as at the dates indicated:

	As at 31 December		
	2007	2006	2005
	(€billions)		
Including Harcourt and Wealth Management	-	-	6.9
Excluding Harcourt and Wealth Management	8.4	8.6	4.3

Our Real Estate Markets SBU was established as a stand-alone SBU in December 2005, when it was spun out of our Financial Markets SBU. The results for Real Estate Markets are shown as if it had been operating independently of Financial Markets from 1 January 2005.

Our financial year is the calendar year.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

In this Prospectus, the "Company," "we," "our," "us" and similar terms refer to NIBC Holding N.V. and its subsidiaries unless the context indicates or requires otherwise.

All references in this Prospectus to "euros" or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "U.S. dollars," "U.S.\$" or "\$" are to the lawful currency of the United States. All references to "AUD" or "Australian dollars" are to the lawful currency of Australia.

Unless the context otherwise requires or it is expressly provided to the contrary, this Prospectus assumes the maximum number of Depositary Receipts are sold in the Offer.

IMPORTANT INFORMATION

No person is or has been authorised to give any information or to make any representation in connection with the Offer, other than as contained in this Prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information set forth in this Prospectus is correct as at any time since its date.

This Prospectus is being published in connection with the Offer, solely for the purpose of enabling Offerees to consider to subscribe for the Depositary Receipts described herein. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Depositary Receipts offered hereby is prohibited. Each recipient of this Prospectus, by accepting delivery of this Prospectus, agrees to the foregoing.

The Company accepts responsibility for the information contained in this Prospectus. We further declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. Offerees should not assume that the information in this Prospectus is accurate as at any other date than the date of this Prospectus.

Notice to Offerees

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Depositary Receipts offered hereby in any jurisdiction in which such offer or invitation would be unlawful.

The transfer of Depositary Receipts is restricted. See "Selling and Transfer Restrictions" and "Risk Factors - The transferability of Depositary Receipts is limited". Offerees subscribing in the Offer must respect all transfer restrictions and are responsible for complying with applicable restrictions. Offerees should consult their financial, legal and tax advisers to carefully review the risks associated with an investment in the Depositary Receipts.

Documents Incorporated by Reference

The 'Risk management' section on pages 41 through 129 of our annual report 2007 is incorporated by reference into this Prospectus (See "Risk Management").

Our financial statements, which are included in our annual reports 2005, 2006 and 2007 and the 2005, 2006 and 2007 auditor's reports are incorporated by reference into this Prospectus. Our results of the first quarter of 2008 as set out on pages 31 through 36 of the press release dated 16 May 2008, which is incorporated by reference into this Prospectus.

Copies of our annual reports 2005, 2006 and 2007 and the press release dated 16 May 2008 can be obtained on our website.

No other documents or information form part of, or are incorporated by reference into, this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus may contain forward-looking statements, including statements about our beliefs and expectations as well as statements that are not based on historical facts. These statements are based on our current plans, estimates and projections, as well as our expectations of external conditions and events, the state of the markets in which we operate, our investment policies and objectives, competitive strengths, strategy, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy. In particular the words "expect," "anticipate," "estimate," "may," "should," "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and speak only as at the date they are made. We undertake no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law. We caution investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

We intend to pay both interim and annual dividends, provided our shareholders' equity exceeds the sum of our paid-up and called-up share capital plus our reserves, as required to be maintained by Dutch law and by our articles of association (*statuten*) (the "**Articles of Association**"). See "Description of Share Capital, the Depositary Receipts and Corporate Governance – Dividends and Other Distributions."

Although we do not give any assurance that we will distribute any dividend or as to the amount of any such dividend, our dividend policy is to aim to pay a regular, growing dividend (provided it does not adversely impact our credit rating) which will take into account, among other things, the dividend amount distributed in respect of the previous financial year, our realised net profit, expected levels of growth and anticipated levels of capital expenditure. The exact amount of any dividend paid may vary from year to year.

Should our Managing Board decide in the future to grant a dividend, the rights of holders of the Depositary Receipts will rank *pari passu* with each other and with the holders of ordinary shares or depositary receipts in the Company.

Dividend History

In respect of the financial year 2007, NIBC Bank paid an extraordinary dividend of EUR 85 million to us in respect of a project to de-risk the U.S. sub prime exposure. This transaction involved Onca 2007-1, Ltd. ("**Onca**"), a company incorporated under the laws of the Cayman Islands. We subscribed for an amount of USD 248 million for preference shares in Onca. A subsidiary of NIBC Bank sold to Onca its entire portfolio of residential U.S. ABS CDOs and U.S. home equity loans. Subsequently we paid an extraordinary dividend in kind (in the form of preference shares in Onca, delivered to the dividend recipients) and in cash (in order for the Company to pay dividend withholding tax on behalf of the dividend recipients). In total for the financial year 2007 we paid extraordinary dividend in value of €2.07 per share. Since 24 August 2007 NIBC Bank nor we have any exposure to the subprime related portfolio. The extraordinary dividend is the final dividend in respect of the financial year 2007.

In respect of the financial year 2006, we paid an interim dividend cash of €1 million (€0.50 per ordinary share) and an extraordinary dividend in cash of €102 million (€1.00 per ordinary share) on 15 November 2006, declared a final dividend of €61 million (€0.60 per ordinary share) on 20 March 2007, and we have paid this dividend on 26 March 2007. In total for the financial year 2006 we paid dividend of €2.10 per share.

In respect of the financial year 2005, we paid dividend in cash of €102 million (€1.00 per ordinary share) on 30 March 2006. In total for the financial year 2005 we paid dividend of €1.00 per share.

Manner and Time of Dividend Payments

Notwithstanding dividends paid in respect of financial year 2007, going forward we intend to issue final dividends for any given year in May and interim dividends for any given year in November. Any dividend or other distribution will be paid to the Foundation (as holder of ordinary shares of the Company) through Euroclear Netherlands, the Dutch centralised securities custody and administration system. Dividends and other distributions will be credited automatically to the Foundation's account without the need for the Foundation to present documentation proving their ownership of the ordinary shares. The Foundation will subsequently distribute dividends and other distributions to the holders of Depositary Receipts. Dividends and other distributions are due and

payable as from a date to be determined by our Managing Board. Payment of any dividend in cash will be made in euros.

Offerees purchasing Depositary Receipts in the Offer will be entitled to receive any dividends paid in respect of the year ending 31 December 2008, but not in respect of the year ended 31 December 2007.

Uncollected Dividends

A claim for any dividend or other declared distribution lapses after five years from the second day on which such a distribution becomes payable. Any dividend or distribution that is not collected within this period reverts to us and is allocated to our general reserves.

Taxation on Dividends

Dividend payments are generally subject to withholding tax in The Netherlands. See "Taxation – Taxation in The Netherlands" for a discussion of certain aspects of Dutch taxation of dividends and refund procedure.

REASON FOR THE OFFER AND USE OF PROCEEDS

On several occasions in the past we granted depositary receipts for ordinary shares of the Company to our employees. We also granted options to acquire depositary receipts for ordinary shares of the Company to our current and former employees.

We recently raised €400 million in the form of a private placement of ordinary shares in the capital of the Company to a specific group of existing shareholders, in which Current Holders could not participate.

This Offer is intended to give Current Holders a new opportunity to participate in our share capital, amongst other things, in light of this recent increase of our share capital. Separately, as an incentive, our employees are given the opportunity to subscribe for Depositary Receipts.

The proceeds of the Offer which will amount to a maximum amount of €13,590,000 are expected to be used for general corporate purposes. We expect our expenses in relation to the Offer to amount to approximately €100,000.

CAPITALISATION

The table below sets forth our consolidated capitalisation in accordance with IFRS as at 31 December 2007. Offerees should read this table together with our consolidated financial statements and the related notes thereto, as well as the information under "Operating and Financial Review," and particularly a discussion of the capitalisation and ratios of NIBC Bank in "Operating and Financial Review – Capitalisation of NIBC Bank"

Total Capitalisation	As at 31 December 2007
	(€millions)
Paid up share capital (ordinary shares).....	1,363
Share premium	177
Revaluation reserve	19
Hedging reserve	35
Retained earnings	96
Net profit attributable to parent shareholders	(5)
Minority interest	11
Other reserves	(6)
Total capitalisation.....	1,690

INDUSTRY OVERVIEW AND TRENDS

We are affected by trends in the Western European credit markets and the international debt capital markets, including the U.S. (which given its size and benchmark status has an impact on global asset markets), as well as macro-economic conditions, particularly in The Netherlands, Germany and the UK.

The year 2007 developed into a turbulent year for the banking industry. Deal activity was far more cautious given the challenging market conditions. Characteristics of these challenging conditions are wider pricing, mark-to-market portfolio losses and difficult derivatives and securitised debt markets. The more challenging business environment continued in 2008. The rating agencies have downgraded NIBC Bank in 2007 and 2008 since they believe that the difficult market conditions will pose additional challenges on us, also since the bank is ultimately reliant on wholesale funding.

During the years prior to that, financial institutions have operated in a generally favourable global macro-economic environment, characterised by low inflation, low interest rates and tight credit spreads.

Near-term activities and liquidity conditions look set to remain challenging. The sentiment in the credit markets overall and the securitisation sector in particular will remain cautious.

The financial services industry, and all of the businesses in which we compete, are highly competitive, and we expect them to remain so. Due to our presence in multiple business areas and jurisdictions, we compete with a variety of financial services providers including merchant banks, investment banks and financial advisory firms, broker-dealers, commercial banks, insurance companies, investment managers, private equity investors and hedge fund managers.

Both within and outside of our home market of The Netherlands, we face competition from large domestic banks and domestic investment banking boutiques. Increasingly, we also face competition from international commercial banks and investment banks. Our competitors seek to either provide their clients with a full-service product offering, including loans, deposit taking and insurance and brokerage services, or to provide their clients with services only in specialised areas of expertise. We compete on the basis of a number of factors, including our ability to offer integrated solutions based on our focused product/market combinations, our integrated business model, our ability to effectively distribute assets in the global capital markets, our focus on specific client and product segments, our leading and innovative merchant banking franchise, and the quality and experience of our people.

We believe corporate clients have become increasingly sophisticated, and have increased their understanding of the derivatives and fixed income markets and are seeking more specialised and complex solutions to their financing needs. A higher interest rate environment typically leads to greater demand for more specialised and complex credit fixed income products, and a lower interest rate environment typically leads to greater demand for plain vanilla loans. Our Corporate Finance SBU faces competition in The Netherlands from Benelux-based banks such as ABN AMRO Holding N.V., Rabo Securities, Fortis S.A./N.V., ING Groep N.V. and Van Lanschot N.V. (especially since its recent acquisition of Kempen & Co N.V.) and international commercial and investment banks such as UBS AG, Deutsche Bank AG and The Royal Bank of Scotland Group plc. Outside The Netherlands, we face competition from firms specialising in the same industries as we do such as Fortis S.A./N.V., HSH Nordbank AG and DVB Bank AG in shipping.

The relatively low interest rate environment in recent years has contributed to an increasing level of demand for mortgage financing, particularly refinancing, in Western Europe both in the retail and commercial sectors as higher rate mortgages are being refinanced by lower rate mortgages. Increased levels of mortgage origination and refinancing have resulted in lower levels

of interest income and lower net interest margins for mortgage lenders, and have also been accompanied by an increase in securitisation issuance volumes. The recent higher interest rate environment has prompted mortgage borrowers to be more hesitant about refinancing existing mortgages, thereby driving down gross origination volumes. Our Real Estate Markets SBU faces competition in the residential mortgage market in The Netherlands from financial institutions such as Rabobank, as well as from competitors that use some or all of our distribution partners, such as SNS Reaal N.V., ING Groep N.V., ABN AMRO Holding N.V. and General Motors Acceptance Corporation. We believe competition has been increasing as a result of the decreased volumes as domestic players attempt to maintain or grow their origination volumes and foreign entities enter the market, seeking to compete on price. In the market for commercial real estate financing in Western Europe, our competition comes from, among others, ING Real Estate, Eurohypo AG, SNS Reaal N.V., Rabo Bouwfonds N.V., Helaba Landesbank Hessen-Thuringen, HSH Nordbank AG and large international commercial mortgage securitisation conduit players, such as Morgan Stanley, Deutsche Bank AG, JP Morgan Chase and Co. and The Goldman Sachs Group, Inc. and, specifically in hotels, Aareal Bank AG, The Erste Bank Group and The Royal Bank of Scotland Group plc. Most of our commercial real estate competitors are either traditional real estate banks with limited capital markets experience, or single focused CMBS conduit players not set up to accommodate ineligible assets.

Institutional investors are increasingly focused on absolute return strategies, seeking diversification into non-traditional asset classes that used to be the domain of merchant and investment banks. These investors have become more sophisticated and therefore more willing to invest directly in such products, particularly in the credit fixed income segment. The asset management industry is currently characterised, and we believe likely to remain characterised, by a trend in which the 'Beta' index-related bulk (low fee) investments (i.e., low-cost passive strategies that aim to earn a return from simply being exposed to the market) are separated from 'alpha' or highly specialised, high fee investments (i.e., more active investment strategies that aim to earn absolute returns resulting in consistent outperformance of the market). Our Investment Management SBU faces competition from entities which provide investment management services, both in Europe and the United States, including hedge funds and specialised investment managers.

As the private equity industry has grown following the raising of new funds, our competitors have grown their presence in Western Europe as they have expanded the geographic markets in which they seek to make investments. Our Principal Investments SBU faces competition from all parties that seek to provide mezzanine or private equity financing to companies in Western Europe (particularly the Benelux, Germany, France and the U.K.).

BUSINESS

We are a leading merchant bank focused on the mid-cap company segment in North-Western Europe. We offer innovative corporate finance, risk management and investment management solutions to corporate clients, financial institutions, institutional investors and financial sponsors.

We are organised into six SBUs: Corporate Finance, Real Estate Markets, Financial Markets, Principal Investments, Investment Management and Corporate Center. It is the responsibility of our dedicated client coverage teams to identify opportunities across the six SBUs while maintaining long-term relationships with issuer and investor clients. The Managing Board is currently preparing changes to our business model. We expect these changes to be presented in the course of June 2008.

Our structure also enables client coverage teams to cooperate with product teams to provide tailored solutions and look beyond single products, assets or SBUs in order to focus on bank-wide opportunities. This enables us to have a 'triple play' approach to doing business: advising, financing and co-investing with its clients.

The 'triple play' approach means servicing all our clients' needs through a one-stop shop solution. This usually begins with our specialist client coverage teams, who provide clients with expert M&A and risk management advice in selected market segments. At the next stage, we provide a range of debt products to meet a client's specific needs. Lastly, we co-invest with our clients through our private equity products.

Corporate Finance

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

Real Estate Markets

Real Estate Markets originates residential and commercial real estate financing with the aim of distributing these assets through a variety of methods including securitisation, syndications and portfolio sales. Its main focus is on residential mortgages and commercial real estate financing in the Netherlands and Germany. Real Estate Markets is also our centre of capital market distribution and structuring of non-real estate assets for other SBUs.

Financial Markets

Financial Markets is responsible for the distribution and market making of securitised debt and derivative products. All transactions that we issue or lead-manage are supported in the after market by secondary market trading activities. Financial Markets provides interest-rate derivatives and other hedging instruments to our client base. It maintains a trading book in these derivatives to facilitate clients' deal flow. Financial Markets is also our corporate treasury centre and is responsible for its funding and liquidity management, as well as money market trading and market making in our bonds.

Principal Investments

Principal Investments is responsible for making investments in funds managed by the SBU Investment Management and funds managed by third parties. The unit focuses on our participation in private equity, mezzanine, real estate and infrastructure funds.

Investment Management

Investment Management is responsible for developing asset management activities for our equity funds and CDO platforms and funds managed by NIBC Credit Management. The unit manages our equity funds: the NIBC Merchant Banking Funds, the NIBC European Infrastructure Fund and the NIBC European Real Estate Fund. In addition, Investment Management manages our minority interests in general partners of private equity funds managed by third parties. NIBC Credit Management manages a portfolio of credit fixed-income investments in a variety of asset classes, such as global corporate credits and selected European securitised debt products.

Corporate Center

Corporate Center groups all our support services, such as Human Resources, Group Finance & Tax, Group Technology & Operations, General Counsel & Corporate Secretariat, Legal, Investor Relations & Corporate Communications, Group Compliance and Internal Audit.

A breakdown of total revenues in the last three financial years by SBU and geographic market is included in the annual reports of 2005 (pages 62-66), 2006 (pages 69-72) and 2007 (pages 174-178). These sections are incorporated by reference into this Prospectus.

Our Strategy

Our strategy is based on asset classes and geographies we know well. It is built around a multi-asset class investment banking and capital markets business model.

multi-product client franchises

We focus on providing lending, credit fixed-income and other financial products and services to mid-cap company clients in specific industry segments, and investment products to institutional investors in the global capital markets.

product / market combinations

The range of products offered is based on our core skill of assessing and managing credit fixed-income risk and products, focusing on certain geographic markets and industry segments for each of the products. As such, we offer innovative corporate finance, risk management and investment solutions based on a combination of strategic advice and capital structuring expertise.

asset portfolio management

We have built a core skill of assessing and managing credit fixed-income risk. Through our investment management franchise, we offer our institutional investor clients the opportunity to benefit from this expertise. We are expanding its investment management activities by developing investment funds for private equity / mezzanine, infrastructure and real estate investments.

collateralised funding & distribution

We have the ability to structure our assets using a variety of funding and / or distribution alternatives, including funds, syndication, securitisation and secondary loan trading.

Risk Overview

Risk management is an integral part of our commitment to providing consistent, high-quality returns to our investors and other stakeholders. It is focused on identifying, assessing, measuring and controlling risk and acting proactively to manage it. Our Risk Management Committee is the decision-making authority with regards to risk parameters and management. A detailed overview of our risk management policy is incorporated by reference into this Prospectus (See "Risk Management").

Our model seeks to bring the business and risk management together and to stimulate ongoing cooperation between the two.

International Offices

In addition to our headquarters in The Hague, we have employees based in offices in London, Brussels, Frankfurt, Singapore and New York. At the end of 2007 we had 722 employees FTEs based in its offices worldwide. These international offices are key links in our business chain. They draw on the expertise available throughout the organisation and apply it to the local markets of which they have first-hand knowledge.

NIBC London

We have maintained a presence in London, Europe's financial capital, since 1995, where we have developed a track record in infrastructure-related financing and equity investment, leveraged loan financing for corporate buy-outs, and credit management for a series of leveraged loan CLO programmes. Related activities include loan syndications, secondary loan trading, and securitisation and fund development. Our London office employs 53 people. The London office serves as an important profit centre for us. It also acts as a strategic base from which we serve clients around the world.

NIBC Brussels

Belgium is part of our home market. It is NIBC Brussels' ambition to be a sparring partner to its clients in their strategic financial decisions. It supports its clients with value-added financing structures, funding solutions, and advisory services. Several clients have retained NIBC Brussels to act as advisor in structuring and arranging the appropriate financing structure and in acquisitions or divestments. The Brussels office employs 11 people and is a major Belgian player in leveraged finance, real estate, corporate lending and M&A advisory. It aims to develop strong partnerships with the owners and senior management of larger Belgian companies, international financial sponsors and institutional investors.

NIBC Frankfurt

We opened an office in Frankfurt in 2005, thus gaining a foothold in Europe's largest economy. The establishment of a presence in Germany reflects our ambition to become a leading merchant bank in North-Western Europe. Our German operations are focused on debt, equity, and advisory solutions for leveraged finance, real estate and infrastructure / Public Private Partnerships – all sectors in which we excel. At the end of 2007, our Frankfurt office employed 31 people. Our strategy is to follow current Benelux and UK clients into the German market and at the same time to build a local German client base.

NIBC Singapore

The geographical coverage of NIBC Singapore extends from Japan in the north to Australia and New Zealand in the south. The NIBC Singapore office was set up in 1996 as a base

from which to build a position in aviation, shipping and logistics, energy, and offshore oil and gas finance markets. Our Singapore office employed 17 people at the end of 2007. Since 2003, NIBC Singapore has progressively expanded to offer a wide range of investments and investment management services such as the distribution of private equity fund products.

NIBC New York

NIBC Credit Management Inc. has maintained a presence in the U.S. since 2002. The firm started in Greenwich, Connecticut and moved to New York in 2006. It began managing the U.S. corporate CDO portfolio for us and has over time added U.S. mortgage-backed and asset-backed securities to its structured credit asset management activities with a focus on the U.S. residential and commercial mortgage sectors. The team is a combination of local experts in these structured credit sectors and experienced staff from NIBC The Hague, and currently consists of 17 employees focusing on portfolio management, surveillance, CDO management, and general support. NIBC Credit Management Inc. efficiently utilises the available expertise and resources within the NIBC Group for back office, fiscal and ICT support. In addition to managing the U.S. structured credit portfolio for an affiliate of NIBC Bank, the company has expanded its asset management activities to third parties by structuring and managing CDOs of asset-backed securities.

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data below should be read in conjunction with "Presentation of Financial and Other Information," "Operating and Financial Review" and the financial statements and notes thereto included in "Index to Financial Statements." The consolidated financial data is extracted from financial statements that have been audited by PricewaterhouseCoopers Accountants N.V., independent auditors.

The selected consolidated financial data set forth below have been derived from audited financial statements for the Company., prepared in accordance with IFRS, including IAS 32 and 39 (referring to the presentation, recognition and measurement of financial instruments), for the twelve month periods ended 31 December 2007, 2006 and 2005.

Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements, and we therefore also report the comparative figures for Harcourt and for Wealth Management for 2005 below as "result from discontinued operations." As a result, in the tables below Harcourt and Wealth Management are treated as discontinued operations for 2005 and 2006.

The selected consolidated financial data set forth below may not contain all of the information that is important to Offerees.

Consolidated Income Statement Data

	Twelve months ended 31 December		
	2007	2006	2005
	(€millions)		
Interest and similar income	1,717	1,338	1,107
Interest expense and similar charges	1,470	1,087	832
Net interest income	247	251	275
Fee and commission income	69	62	47
Fee and commission expense	6	1	4
Net fee and commission income	63	61	43
Dividend income	84	35	27
Net trading income	(372)	92	87
Gains less losses from equity investments	108	45	21
Share in profit of associates and joint ventures	11	16	4
Other operating income	5	16	3
Operating income	146	516	460
Operating expenses	221	209	183
Impairment of goodwill	0	0	1
Impairment of financial assets	2	(14)	(39)
Total expenses	223	195	145
Operating profit	(77)	321	315
Results on disposal of subsidiaries	0	1	0
Profit before tax from continuing operations	(77)	322	315
Tax	(75)	69	81
Profit after tax from continuing operations	(2)	253	234
Result from discontinued operations	0	35	(107)
Net profit	(2)	288	127
Net result attributable to minority interest	3	0	(31)
Net profit attributable to parent shareholders	(5)	288	158

Consolidated Balance Sheet Data

	As at 31 December		
	2007	2006	2005
	(€millions)		
Assets			
Financial assets at amortised cost			
Cash and balances with central banks	874	239	530
Due from other banks	3,150	1,765	1,725
Loans and receivables	1,258	0	0
Securitised loans	638	0	0
Financial assets at available for sale			
Loans and receivables	5,164	6,897	7,098
Equity investments	144	185	165
Debt securities	311	0	0
Financial Assets Fair Value Through Profit or Loss (Including Trading)			
Loans and receivables	1,374	952	0
Residential mortgages own book	5,285	4,438	5,029
Securitised residential mortgages	6,356	6,988	8,417
Debt securities	3,055	7,202	6,274
Structured investments	1,212	916	361
Investments in associates	147	0	0
Derivative financial assets held for trading	2,633	1,940	1,584
Derivative financial assets used for hedging	85	300	214
Investments in associates	44	33	24
Intangible assets	338	338	347
Property and other fixed assets (for own use)	72	82	61
Investment property	1	8	17
Current tax assets	106	49	0
Deferred tax assets	20	3	7
Other assets	142	301	341
Total assets	32,409	32,636	32,194
Liabilities and Shareholders Equity			
Due to other banks	5,455	3,401	1,530
Other deposits	1,282	2,581	2,376
Other borrowings	2	13	20
Financial Liabilities Fair Value Through Profit or Loss (Including Trading)			
Debt securities in issue structured	4,152	4,553	5,298
Own debt securities in issue	215	0	0
Derivative financial liabilities held for trading	2,291	2,011	1,832
Derivative financial liabilities used for hedging	53	133	159
Debt Securities in Issue			
Own debt securities in issue	9,035	9,334	9,231
Debt securities in issue related to securitised	7,214	7,246	8,411

mortgages

Other liabilities	252	500	573
Current tax liabilities	0	0	32
Deferred tax liabilities	24	60	54
Employee benefit obligations	11	17	29
Subordinated liabilities			
Amortised cost	236	256	252
Fair value through profit or loss	497	432	425
Total liabilities	30,719	30,537	30,222
Shareholders' Equity			
Share capital	1,363	1,363	1,362
Other reserves	225	369	299
Retained earnings	96	79	149
Net profit allocated to parent shareholders	(5)	288	158
Total parent shareholders' equity	1,679	2,099	1,968
Minority interest	11	0	4
Total shareholders' equity	1,690	2,099	1,972
Total liabilities and shareholders' equity	32,409	32,636	32,194

OPERATING AND FINANCIAL REVIEW

The following discussion of our consolidated financial condition and results of operations should be read in conjunction with the rest of this Prospectus, including our financial statement and the related notes thereto and "Selected Consolidated Financial Data". Our financial statements have been prepared in accordance with IFRS.

This section contains forward-looking statements that are subject to known and unknown risks and uncertainties. Our actual results could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this document, particularly in "Forward-Looking Statements" and "Risk Factors."

In this section we present discussion and analysis of audited financial statements for the Company., prepared in accordance with IFRS, including IAS 32 and 39 (referring to the presentation, recognition and measurement of financial instruments), for the twelve month periods ended 31 December 2007, 2006 and 2005.

We transitioned to IFRS, using the IFRS 1 first time adoption rules with a transition date of 1 January 2004 and an adoption date of 1 January 2005. Our adoption of IFRS has had a material impact on our results of operations and financial condition. From 1 January 2005, we adopted IAS 32 and 39.

In connection with the Consortium Acquisition, we were incorporated as NIBC Holding N.V. on 9 December 2005 and, on 14 December 2005, acquired 100% of the shares of NIBC N.V. Although our 2005 financial statements are issued in our name, NIBC Holding N.V., they effectively represent a continuation of the financial statements of NIBC N.V. The assets and liabilities, retained earnings and other equity balances of our 2005 financial statements are those of NIBC N.V. immediately prior to the Consortium Acquisition on 14 December 2005, adjusted for movements through to 31 December 2005. The number and type of equity instruments issued reflect those of NIBC Holding N.V. As NIBC Holding N.V. was a newly incorporated entity with negligible assets and liabilities just before the acquisition of NIBC N.V., the creation of NIBC Holding N.V. had no material impact on the financial statements of NIBC N.V. On 6 March 2007, a legal merger became effective between us and our wholly-owned subsidiary NIBC N.V. Consequently, NIBC N.V. has ceased to exist, and we now hold directly all assets previously held by NIBC N.V., including all the outstanding shares in the share capital of NIBC Bank N.V. For further details on our group structure, see "General Information – Organisational Structure."

Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements, and we therefore also report the comparative figures for Harcourt and Wealth Management for 2005 as "result from discontinued operations."

Significant Events

Correction of 2005 Results

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

We first announced the corrections in a press release containing our results for the first half year of 2006 issued in August 2006. We subsequently identified further corrections which were required in respect of our 2005 financial statements. The financial statements of the Company in

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

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

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

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

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

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

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

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

	As previously reported by NIBC N.V.	Correction (€millions)	Corrected amount
<i>Assets</i>			
Due from other Banks	1,304	277	1,581
<i>Available for Sale Assets</i>			
Loans and Advances to Customers	6,838	23	6,861
Equity Investments	398	(260)	138
<i>Financial Assets Fair Value Through Profit or Loss (Including Trading)</i>			
Residential Mortgages Own Book	8,245	(18)	8,227
Securitised Residential Mortgages	4,011	(14)	3,997
Debt Securities	6,607	5	6,612
Structured Investments	0	260	260
Deferred tax assets	97	(8)	89
Other Assets	1,193	(3)	1,190
Total Assets	31,564	262	31,826
<i>Liabilities</i>			
Other deposits	4,048	277	4,325
<i>Financial Liabilities Fair Value Through Profit or Loss (Including Trading)</i>			
Debt Securities in Issue Structured	5,078	46	5,124
Own Debt Securities in Issue	9,402	(29)	9,373
Current Tax Liabilities	104	(10)	94
Deferred Tax Liabilities	152	(11)	141
Total Liabilities	29,424	273	29,697
Shareholders' Equity			
Other reserves	289	6	295
Retained earnings	287	(17)	270
Total Shareholders' Equity	2,140	(11)	2,129
Total Liabilities and Shareholders' Equity	31,564	262	31,826

Corrections of the Consolidated NIBC N.V. IFRS Income Statement for the year ended 31 December 2005

	As previously reported by NIBC N.V.	Correction (€millions)	Corrected amount
<i>Interest and similar income</i>	821	286	1,107
<i>Interest expense and similar charges</i>	531	301	832
Net interest income	290	(15)	275
Dividend income	52	(25)	27
Net trading income	113	(25)	88
Share in profit of associates and joint ventures	(21)	25	4
Personnel expenses	127	4	131
Impairment of financial assets	(35)	(4)	(39)
Profit before tax from continuing operations¹	359	(40)	319
Tax	95	(13)	82
Profit after tax from continuing operations¹	... 264	(27)	237

(1) Harcourt and Wealth Management are included as continuing operations.

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

	As previously reported by NIBC N.V.	Correction (€millions)	Corrected amount
Assets			
Due from other Banks	1,434	274	1,708
<i>Available for Sale Assets</i>			
Loans and Advances to Customers	7,077	21	7,098
Equity Investment	523	(358)	165
<i>Financial Assets Fair Value Through Profit or Loss (Including Trading)</i>			
Residential Mortgages Own Book	5,040	(11)	5,029
Securitised Residential Mortgages	8,449	(33)	8,416
Debt Securities	6,269	5	6,274
Structured Investments	0	361	361
Deferred tax assets	94	(8)	86
Other Assets	345	(4)	341
Total Assets	32,009	248	32,257
Liabilities			
Other deposits	2,106	270	2,376

*Financial Liabilities Fair Value Through Profit or Loss
(Including Trading)*

Debt Securities in Issue Structured	5,252	46	5,298
<i>Debt Securities in Issue</i>			
Own Debt Securities in Issue	9,244	(13)	9,231
Other Liabilities	529	1	530
Current Tax Liabilities	45	(12)	33
Deferred tax liabilities	143	(11)	132
Total Liabilities	29,977	281	30,258
Shareholders' Equity			
Retained Earnings	165	(7)	158
Net Profit allocated to Parent Shareholder	185	(27)	158
Total Shareholders' Equity	2,032	(34)	1,998
Total Liabilities and Shareholders' Equity	32,009	248	32,257

Subsequent events in 2008

We successfully raised €400 million of new cash equity in the first quarter of 2008. Funding was provided in the form of a subscription for newly issued ordinary shares in our share capital. The shares were fully paid up on 6 May 2008.

At 31 March 2008, we had a remaining U.S. commercial real estate securities portfolio with a notional value of €0.7 billion (notional value at 31 December 2007: €0.9 billion). In reaction to major mark-to-market losses in the U.S. we made an additional after tax write down of this portfolio in the first quarter of 2008 of €0.3 billion to approximately 30% of the notional value (31 December 2007: 78%), which led to a fair value of the remaining portfolio of €0.2 billion at 31 March 2008. Overall we posted a net loss of €244 million per 31 March 2008 because the losses on the U.S. portfolio were partly offset by NIBC Bank's first quarter net profit of €49 million. Following this write down and share issue our Basel II Tier-I ratio increased to 13.1% at 31 March 2008 (December 2007: 11.3%).

On 25 March 2008, our Supervisory Board announced the appointment of Jeroen Drost (47) as Chief Executive Officer, with effect from 1 May 2008, and the intention to appoint him, subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank*), as chairman of our Managing Board, the Managing Board of NIBC Bank and the Managing Board of NIBC Investment Management N.V. With effect from 3 June 2008, Mr. Drost took over responsibility from Mr. Enthoven who officially stepped down as chairman of the Managing Boards mentioned above with effect from 20 March 2008. The Supervisory Board appointed Jan van Nieuwenhuizen as acting Chief Executive Officer until May 1, 2008.

On 22 February 2008, our Supervisory Board announced the appointment of Jan Sijbrand (54) as Chief Risk Officer, with effect from 22 February 2008, and the intention to appoint him as member of our Managing Board, the Managing Board of NIBC Bank and the Managing Board of NIBC Investment Management N.V. With effect from 25 March 2008, Mr. Sijbrand took over responsibility from Mr. Stegmann who officially stepped down as a member of the Managing Boards mentioned above and as Vice-Chairman with effect from 22 February 2008. Mr. Sijbrand takes responsibility for all of our risk management activities including market-credit and operational risk.

There has been no significant change in the financial or trading position of our group since the end of the first quarter of 2008.

Disposals and a liquidation

As discussed in "Consolidated Results of Operations", our discontinuation and disposal of certain businesses has had an impact on our operating income in the periods under review.

In 2005, we agreed with Petercam N.V. to cease the activities of our loss-making joint venture NIBC Petercam Derivatives N.V. ("**NPD**"). All NPD's derivative instruments were sold or novated to third parties or hedged with third parties, and NPD was put into liquidation on 20 December 2005. NPD has now been fully liquidated. The total net loss (after net result attributable to minority interest) that we incurred on NPD in 2005 was €78 million.

In 2005, we also decided to sell our 56% stake in Harcourt, formerly part of our Investment Management SBU. The transaction closed in February 2006. We recognised a net profit on this disposal of €35 million in the first quarter of 2006. As a result of this disposal, we also experienced a reduction of 38 FTEs and a reduction in AuM of approximately €2.5 billion in 2006.

In June 2006, we sold our majority interest in Wealth Management, a fund manager for high net worth individuals and foundations, formerly part of our Investment Management SBU. The disposal of our interest in Wealth Management did not have a material impact on our net profit for 2006.

In August 2006, we agreed to sell NIBC Bank (NA) N.V., our subsidiary based in Curacao in The Netherlands Antilles. The transaction closed on 21 November 2006. The disposal of NIBC Bank (NA) N.V. did not have a material impact on our net profit for 2006.

The following tables present the impact of the businesses we have disposed of or liquidated on our net profit (which is before minority interests) and our net profit attributable to parent shareholders (which is after minority interests) for the periods under review. The figures include both the results on disposals and a liquidation as well as any operating profits or losses that were incurred in the year that we disposed of or liquidated these businesses and in the previous year before disposal or liquidation.

Impact of disposals and a liquidation on net profit

	Twelve months ended 31 December		
	2006	2005	2005
	(Harcourt and Wealth Management classified as discontinued operations)		(Harcourt and Wealth Management not classified as discontinued operations)
	(€millions, unless stated otherwise)		
NIB Private Equity	0	0	0
NPD	0	(110)	(110)
Harcourt	35	5	0 ¹
Wealth Management	0	(2)	0 ¹
NIBC Bank (NA) N.V.	1	0	0
Total	36	(107)	(110)

<i>Of which reported under result on disposal of subsidiaries</i>	1	0	0
<i>Of which reported under result from discontinued operations</i>	35	(107)	(110)

(1) A net profit of €5 million for Harcourt and a net loss of €2 million for Wealth Management was included in profit after tax from continuing operations.

Impact of disposals and a liquidation on net profit attributable to parent shareholders.

	Twelve months ended 31 December		
	2006	2005	2005
			(Harcourt and Wealth Management not classified as discontinued operations)
	(Harcourt and Wealth Management classified as discontinued operations)		
	(€millions, unless stated otherwise)		
NIB Private Equity	0	0	0
NPD	0	(78)	(78)
Harcourt	35	3	0 ¹
Wealth Management	0	(1)	0 ¹
NIBC Bank (NA) N.V.	1	0	0
Total	36	(76)	(78)

(1) A net profit of €5 million for Harcourt and a net loss of €2 million for Wealth Management was included in profit after tax from continuing operations.

With effect from 1 January 2005, we adopted IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations). Consequently, NPD was classified as "discontinued" in our 2005 financial statements (a net loss of €110 million in 2005). Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements, and we therefore also report the comparative figures for Harcourt and Wealth Management for 2005 as "result from discontinued operations" (a net profit of €35 million for Harcourt and a net profit of nil for Wealth Management in 2006 and a net profit of €5 million for Harcourt and a net loss of €2 million for Wealth Management in 2005).

The Consortium Acquisition

In December 2005, the Consortium purchased all of the outstanding equity interests of NIB Capital N.V. For a detailed description of our shareholders and their equity interests, see "Principal Shareholders and Related Party Transactions." In connection with the Consortium Acquisition, the Company was formed and NIBC N.V. became its wholly-owned subsidiary. See "General Information – Organisational Structure."

Reverse acquisition accounting

In connection with the Consortium Acquisition, we were incorporated as NIBC Holding N.V. on 9 December 2005 and, on 14 December 2005, subsequently acquired 100% of the shares of NIBC N.V. In our 2005 financial statements, we applied reverse acquisition accounting to the

acquisition of NIBC N.V. by the Company. This implies that for accounting purposes the acquiree, NIBC N.V., is deemed to be the buyer of the acquirer, the Company.

Although our 2005 financial statements are issued in our name (NIBC Holding N.V.), they effectively represent a continuation of the financial statements of NIBC N.V. The assets and liabilities, retained earnings and other equity balances of our 2005 financial statements are those of NIBC N.V. immediately prior to the Consortium Acquisition on 14 December 2005, adjusted for movements through to 31 December 2005. The number and type of equity instruments issued, however, reflect those of NIBC Holding N.V. As the Company was a newly incorporated entity with negligible assets and liabilities just before the acquisition of NIBC N.V., the creation of the Company has had no material impact on the financial statements of NIBC N.V.

NIBC Choice

In connection with the Consortium Acquisition, the Foundation was incorporated on 27 December 2005. The objectives of the Foundation are directly related to our deferred compensation plan, NIBC Choice ("**NIBC Choice**"), as discussed in "Management and Supervisory Board – NIBC Choice." NIBC Choice initially comprised an employee share participation plan and an employee option plan (the "**Option Plan**"). Under the employee share participation plan, depositary receipts for ordinary shares of the Company have been issued to members of our Managing Board and employees. Depositary receipts have been granted in the form of depositary receipts with certain restrictions ("**RDRs**") and vest over time, after which they convert into common depositary receipts without any restrictions ("**CDRs**"). The Option Plan allowed us to grant options to purchase depositary receipts to members of our Managing Board and employees up to a maximum of 5% of our share capital as at 14 December 2005 on a fully diluted basis. We do not envisage granting any further options under the Option Plan or any other plan.

Under IFRS, the Foundation has been treated as a subsidiary in our financial statements. In 2007, €20 million (2006: €36 million) of expenses relating to NIBC Choice are included in personnel expenses. These expenses are related to the amortisation during the vesting period of the fair value at the grant date of options issued under the Option Plan, the amortisation of the issue price of RDRs granted to our employees and the revaluation of CDRs and RDRs for which a good leaver put option exists. The lower expenses in 2007 include the reversal of expenses due to two Managing Board members leaving the Company in the first quarter of 2008. For further details, see "Management and Supervisory Board – NIBC Choice" and note 55 to our 2007 consolidated financial statements in "Index to Financial Statements."

Effects of the Consortium Acquisition on expenses and on shareholders' equity

In 2004, the former shareholders of NIBC N.V., ABP and PGGM, introduced a liquidity event plan (the "**Liquidity Event Plan**"). Members of the managing board of NIBC N.V. and its employees were granted rights under this plan that entitled them to part of the proceeds of a sale of NIBC N.V. The Consortium Acquisition qualified as a liquidity event. As a result of the Consortium Acquisition, we recognised one-off costs of €33 million in 2005, of which €25 million were related to the Liquidity Event Plan and the implementation of NIBC Choice, and the remaining €8 million were related to advisory fees. See "Management and Supervisory Board – NIBC Choice."

The Consortium Acquisition also resulted in a net reduction in our shareholders' equity in 2005 of €26 million, reflecting an increase of €17 million as a result of a share issue for cash, and a decrease of €43 million relating to the recognition of liabilities arising on depositary receipts issued by the Foundation in connection with NIBC Choice. Under IFRS, these depositary receipts were classified as "other liabilities" in our consolidated balance sheet. These liabilities arise under IFRS because, under the conditions of administration applicable to depositary receipts granted before 30 March 2006, holders have the option to cash the depositary receipts if they cease to be employed by

us or one of our subsidiaries for reasons other than resignation or dismissal for cause. In June 2006, the majority of the holders of these depositary receipts permanently waived this option, and the related liabilities were therefore released to shareholders' equity. Our liability for depositary receipts of €46 million as at 31 December 2005 decreased to €5 million as at 31 December 2006 following the waiver of the option mentioned above by the large majority of the employees, and decreased further to €1 million as at December 2007.

Key Drivers of Results of Operations

The key drivers of our results of operations are discussed below.

Net interest income

Our net interest income includes the interest earned on commercial loans and mortgages from our Corporate Finance and Real Estate Markets SBUs, and the interest earned on the mezzanine security portfolio managed by our Principal Investments SBU. Our net interest income remains the most significant element of our revenue, and has in absolute terms remained relatively stable in 2006 and 2007, decreasing from 2005.

Several factors have had an impact on our absolute levels of net interest income in the periods under review. Our net interest income is affected by, among other things, the volume of assets we hold which generate interest income (specifically loans, residential mortgages and debt securities), and the net interest margins we earn on those assets; the general interest rate environment, which impacts levels of borrower demand; and general conditions in the capital markets, including available yields on fixed-income securities and our cost of funding. We seek to limit the impact of changing interest rates on our net interest income by hedging our exposures.

Volume

From 2005 to 2007, we experienced an annual increase of the average volume of corporate loans (including the commercial real estate and leveraged loan warehouses). In 2007, we experienced a decrease in the average volume of residential mortgages (both warehoused and securitised). During 2005 and 2006, this portfolio remained relatively stable. The average volume of debt securities we hold increased in 2006 compared to 2005 and decreased again in 2007.

Margins

The recent low interest rate environment in the periods under review and, to a lesser extent, the tightening of credit spreads in 2005 and 2006, have had a negative impact on our net interest margins. In especially the second half of 2007 changed market circumstances with a difficult lending environment led to a widening of credit spreads and a decrease of origination volume in corporate lending.

The maturity and relative saturation of the residential mortgage origination market in The Netherlands have increased downward pressure on origination volumes and credit spreads in 2005 and 2006. Credit spreads on origination widened slightly and origination volumes decreased in the second half of 2007 following changed market circumstances.

In addition, our interest expenses are increasing due to a decrease in NIBC Bank's credit ratings from various rating agencies in the periods under review. NIBC Bank's credit ratings were downgraded after the Consortium Acquisition in 2005, reflecting the removal of parental support in the form of a letter of comfort from our previous shareholders, ABP and PGGM and downgraded again in 2007 after we experienced substantial losses on the U.S. investment debt securities portfolio.

Net fee and commission income

Our net fee and commission income primarily reflects the levels of fee income generated by our Corporate Finance SBU in underwriting and acting as lead arranger of financings, and providing M&A Advisory and other fee-driven services to clients, and by the level of incentive and management fees generated by our Investment Management SBU. In line with our objective of diversifying income sources, the net fee and commission income of our current business (i.e., excluding fee and commission income generated from our interest in Harcourt, which we sold in 2006) has increased in the periods under review both in absolute terms and as a proportion of our operating income.

In general, fee and commission income from our Corporate Finance SBU is driven by the level of market activity and is therefore relatively volatile. In contrast, the fee and commission income generated by our Investment Management SBU is driven by the volume and performance of our AuM, and is therefore typically of a recurring and more predictable nature. Net fee and commission income from our Corporate Finance SBU increased during the periods under review.

The platforms managed by our Investment Management SBU on behalf of third-party investors earn asset management fees based on a percentage of AuM during a given period as well as, in certain cases, incentive fees based on fund performance. Total AuM (excluding Harcourt) for third-party investors totalled €8.4 billion as at 31 December 2007, compared to €8.6 billion as at 31 December 2006 and €4.3 billion as at 31 December 2005.

Dividend income

Dividend income principally reflects the activities of our Principal Investments SBU and income from certain fund holdings within our Financial Markets SBU. Our level of dividend income is affected by, among other things, the general business climate in the markets in which our investee companies operate, the effect of economic conditions on such companies' ability to pay dividends to shareholders and their dividend policies. Our dividend income increased during the periods under review.

Net trading income

Net trading income is generated both from trading activities carried out on behalf of clients as well as for our own account, as well as income from fair value adjustments to assets that we retain on our balance sheet designated as "Fair Value Through Profit or Loss" assets, including mortgage assets and related derivatives that hedge these assets. The majority of our net trading income is earned from the proprietary trading activities of our Financial Markets SBU, as well as certain fair value adjustments to assets in our Financial Markets, Real Estate Markets and Corporate Finance SBUs. Our net trading income is affected by, among other things, developments in the credit spread environment, particularly as they impact the fair value adjustments of our proprietary trading and mortgage portfolios. In general, the fair value of a debt security or a loan will increase when credit spreads are tightening and decrease when credit spreads are widening. Our net trading income has been positively impacted by tightening of credit spreads in 2005 and 2006, which has produced significant fair value gains on our assets, with the exception of the results of our Real Estate Markets SBU in 2006, but has been negatively impacted by the widening of credit spreads in 2007 following deteriorated market circumstances.

Net trading income remained relatively stable in 2005 and 2006 but decreased substantially in 2007, following mark-to-market losses on our U.S. ABS investment book. This portfolio was to a large extent de-risked during 2007. We decreased our debt securities portfolio from €7.2 billion at the end of 2006 to €3.4 billion at the end of 2007. This decrease includes the de-risking of the U.S. ABS investment book, which amounted to €2.2 billion at the beginning of 2007 and €0.7 million at

the end of 2007. In 2007, the result on the U.S. ABS investment book was a loss of €256 million, after tax. The de-risking was executed by means of two actions:

- the sale of U.S. securities of €0.7 billion during the first half year of 2007;
- the sale of a portfolio of €0.4 billion of all U.S. sub prime residential mortgage ABS securities on 24 August 2007.

The remaining decrease of €0.4 billion reflects the before tax loss on the U.S. ABS investment book and the devaluation of the U.S. dollar in 2007.

Gains less losses from equity investments and associates

As of 1 January 2007, all newly acquired investments in associates and joint ventures held by our Principal Investments SBU are designated at fair value through profit or loss. Previously acquired investments in associates, where material, are accounted for using the equity method and investments in joint ventures are proportionately consolidated. This change brings our accounting into line with industry practice. Associates are those entities over whose financial and operating policies we have significant influence, but not control.

Equity investments acquired before 1 January 2007 held in the investment portfolio of our Principal Investments SBU are classified as available for sale assets in our consolidated balance sheet. With effect from 1 January 2007, all newly acquired equity investments held by our Principal Investments SBU unit are designated upon initial recognition as financial assets at fair value through profit or loss. This change brings our accounting into line with industry practice for venture capital organisations.

With respect to net gains and losses realized on the sale of equity assets designated as available for sale, unrealized changes in the fair value of our equity investments are reported, for the period of the change in value, in the revaluation reserve in our consolidated balance sheet, within shareholders' equity. When we sell such an equity investment, the amounts previously reported in the revaluation reserve as fair value changes are recycled and reported within the gains less losses from equity investments and associates line of our consolidated income statement in the period of the exit. An impairment in the value of an equity investment, as opposed to a fair market value loss, is reported in our consolidated income statement as an impairment loss on financial assets.

With respect to fair value changes made on equity assets designated as fair value through the income statement, unrealized changes in the fair value of these assets are reported, for the period of the change in value, in the income statement.

Our gains less losses from equity investments and associates, both in absolute terms and as a proportion of our operating income, has increased during the periods under review.

Our results from sales and fair value adjustments of equity assets are affected by, among other things, the availability of attractive opportunities for exit, our ability to invest in high quality investments, the general business climate in the markets where our equity holdings operate and the effect of economic conditions on the market value of such companies' shares. Overall, gains less losses from equity investments and associates are unpredictable from period to period, as they reflect the changing opportunities for disposal of our equity investments.

Gains less losses from equity investments and associates have benefited from a favourable climate in the periods under review for sales of equity investments, resulting in realised gains on the equity investments we sold.

Personnel expenses

The largest portion of our operating expenses is personnel expenses, relating to salaries, variable compensation, post-retirement charges and social security charges. Our compensation arrangements include a significant element of performance-based and discretionary rewards to employees, in the form of both short-term cash bonuses and deferred compensation. Following the Consortium Acquisition at the end of 2005, we established our incentive plan, NIBC Choice. Before the NIBC Choice Plan was introduced, other deferred plans were provided to our employees. The majority of accumulated deferred compensation rights under these legacy deferred compensation plans were converted to CDRs and RDRs when we introduced NIBC Choice. All these compensation plans are further explained in "Management and Supervisory Board – NIBC Choice."

Our personnel expenses are affected by, among other things, changes in the number and seniority of staff we employ, our level of operating income and its impact on the level of variable compensation we pay, and labour market developments which influence base compensation levels.

Impairment of financial assets

If there is objective evidence of impairment of an asset accounted for at available for sale (i.e., certain loans and receivables, equity investments and debt securities), we recognise in our income statement the cumulative fair value loss that has been previously recognised (within shareholders' equity) in our balance sheet. We reverse an impairment loss on such an asset if a subsequent increase in the fair value of the asset can be related objectively to an event occurring after the impairment loss was recognised. If there is objective evidence of impairment of an asset designated at amortized cost (i.e., loans and receivables), we recognise in our income statement the difference between the net present value of the future cash flows calculated using the effective yield at origination of that asset and the carrying amount. We reverse an impairment loss on such an asset if a subsequent increase in the net present value of the asset can be related objectively to an event occurring after the impairment loss was recognised. Under the provisions of IFRS, an impairment loss on an "equity investment" cannot be reversed through the income statement.

Impairment of financial assets is affected by, among other factors, the general business climate, macroeconomic conditions, developments within specific industry sectors and certain company specific events, such as restructurings. Due to this mixture of factors, substantial impairment losses can occur at the same time as reversals of impairments and, on aggregate, net impairment losses on financial assets can be volatile.

Tax

Corporate income tax expenses in The Netherlands represent a significant portion of our tax expenses. In addition to income tax expenses in The Netherlands, we also incur or have incurred tax expenses in Germany, the United Kingdom, the Dutch Antilles (in connection with our subsidiary NIBC Bank (NA) N.V., which we disposed of in 2007), Singapore, Belgium and the US.

Principally as a result of our holdings in assets that generate tax-exempt income and the income we generate in countries with lower corporate tax rates, our effective corporate income tax rate has been below the standard rate for Dutch corporations as set out in the table below:

	Twelve months ended 31 December		
	2007	2006	2005
Effective tax rate ¹	97.4%	21.4%	25.7%
Dutch corporate tax rate	25.5%	29.6%	31.5%

(1) Tax expenses for the period, expressed as a percentage of our profit before tax from continuing

operations.

From 2005 to 2007, the Dutch corporate income tax rate decreased from 31.5% (in 2005) to 29.6% (in 2006) to 25.5% (in 2007).

Accounting Treatment of Securitisations under IFRS

The following section is a summary of the IFRS accounting treatment of our securitisations and of their key impact on our financial statements. It does not purport to be a comprehensive description of the accounting treatment of securitisations under IFRS.

We have used securitisation extensively in recent years to increase our asset velocity. By securitising our assets, we usually transfer a measure of credit risk and credit spread risk to investors via bankruptcy-remote special purpose vehicles ("**SPVs**") established expressly to issue notes to third party investors. We retain an element of credit risk and credit spread risk from our RMBS and CMBS programmes on the portion of the equity tranche notes and mezzanine interests we retain. Upon closing of a securitisation transaction, we sell the underlying assets to the SPV, the SPV issues securities in the form of notes to finance the purchase of the assets, and interest payments on the notes are serviced by the interest earned on the assets transferred to the SPV.

By transferring risk to investors through securitisations, we are able to decrease the risk weighting of our assets for Dutch Central Bank reporting purposes in proportion to the amount of risk we transfer. By reducing our level of risk weighted assets for Dutch Central Bank reporting purposes, transferring risk to noteholders also strengthens our Tier-1 capital ratio, which is calculated as the amount of Tier-1 capital we hold as a proportion of our total risk weighted assets.

The main asset classes sourced and warehoused on our balance sheet for securitisation purposes are the following:

- 1 Dutch residential mortgages, securitised mainly through our Dutch mortgage-backed securities ("DMBS" and "Sound") platforms;
- 2 European commercial real estate mortgages, securitised through our MESDAG CMBS platforms;
- 3 US mortgages and debt instruments, securitised through our Belle Haven CDO platforms and our Orion synthetic CDO platforms; and
- 4 European leveraged loans, securitised through our North Westerly CLO platforms.

In addition, we have securitised other asset classes such as deep sea shipping loans in our Latitude transaction, and Infrastructure loans through our Profile platform.

In certain cases, especially in 2007, we have used securitisation for the sole purpose of obtaining financing. In these cases, the issued notes were retained by us and subsequently pledged to obtain financing from other banks, including the European Central Bank. With respect to these securitisations no risk is transferred to third parties.

Securitisations that result in derecognition

As a result of a securitisation, the assets transferred to an SPV are "derecognised" from our consolidated balance sheet if we conclude that we do not "control" the SPV, and provided the transfer satisfies a number of specific requirements for the derecognition of financial instruments set forth in IAS 39. In determining whether we control an SPV, we consider a range of factors, in particular the extent to which we have decision making powers over the SPV and the level of risks and rewards that we retain. If we are unable to conclude that we do not "control" the SPV, or if any transfer were to fail to satisfy the derecognition requirements set forth in IAS 39, we will retain the

securitised assets on our balance sheet, as set out in "- Securitisations that do not result in derecognition" below.

By "derecognising" an asset, we effectively move it off our consolidated balance sheet and onto the balance sheet of the SPV, which we do not consolidate. As a result, total assets and total liabilities reported in our consolidated balance sheet are reduced as a result of such a securitisation, and there is also a corresponding proportional reduction in our risk weighted assets.

There may also be an income statement impact of securitisations that result in asset derecognition. If the assets transferred to the SPV were classified as "Available For Sale" on our balance sheet (i.e., loans and advances to customers originated by our Corporate Finance SBU, and equity investments held by our Principal Investments SBU), we recognise a disposal gain or loss within net trading income upon the transfer of the assets to the SPV. This disposal gain or loss is the amount of any fair value adjustments on the "Available for Sale" asset that had been previously recognised in shareholders' equity.

If the assets transferred to the SPV were classified as "Fair Value Through Profit or Loss" assets (as has been the case to date, since the asset warehouses we build in preparation for securitisations have all been classified as "Fair Value Through Profit or Loss" assets), there is no gain or loss recognised in our consolidated income statement at the time of the securitisation.

Transaction costs are borne by the SPV, and to the extent we earn structuring and/or underwriting fees at the inception of the securitisation and recurring servicing, management and performance fees during the tenure of the securitisation, these are recognised as fee and commission income in our consolidated income statement. In our income statement, once assets are derecognised, we no longer recognise the net interest income on those assets.

Securitisations that do not result in derecognition

If we conclude that we control an SPV or that the transfer requirements in IAS 39 have not been satisfied, we consolidate the securitised assets that have been transferred to the SPV, and continue to keep them on our consolidated balance sheet. To date, this has been the case for our Dutch residential mortgage securitisations, a securitisation of commercial real estate loans and a number of securitisations executed in 2007 for the sole purpose of pledging the issued notes to obtain financing from other banks, including the European Central Bank. With respect to these last securitisations all the notes were retained by us and therefore no risk has been transferred to third parties.

Securitisations that do not result in derecognition do not result in a change to our total assets or our shareholders' equity as presented in our consolidated balance sheet. The liabilities that funded the assets before the securitisation are effectively replaced by the notes issued by the SPV, and the impact on our consolidated balance sheet is therefore minimal.

Such a securitisation does have an impact on the net interest income line in our consolidated income statement. Third party transaction costs borne by the SPV will be included in the calculation of the effective interest cost of the notes issued by the SPV. After the securitisation, the interest expense recognised in our consolidated income statement on an effective interest basis is therefore different to the interest expense (based on our overall funding cost) that was recognised before the transaction.

Although the net effect on our consolidated income statement over the life of the securitisation is the same, whether we derecognise or consolidate an SPV, the timing of recognition of revenue, the line item where revenue is recognised (i.e. interest income, fee and commission income and/or net trading income) and certain balance sheet items are different.

Adoption of International Financial Reporting Standards

Overview

The following table is a summary of the IFRS accounting treatment of the main financial assets and financial liabilities in our balance sheet excluding hedge accounting. This summary does not purport to be a comprehensive description of such accounting treatment under IFRS. For a full explanation of our accounting policies under IFRS, see the notes to our consolidated financial statements as set out in "Index to Financial Statements." Further discussion of certain of the balance sheet items referred to below can be found in "– Balance Sheet Analysis" below.

Balance Sheet item	Summary of IFRS principles of selected measurements and determination of results
ASSETS	
Available for sale asset: <ul style="list-style-type: none"> •1 Loans and receivables •2 Equity investments •3 Debt securities 	<p>"Available for Sale" financial instruments are measured at fair value. Changes in fair value are recognised directly in the revaluation reserve in shareholders' equity. When loans and receivables are derecognised, the cumulative gain or loss previously recognised in shareholders' equity is recognised in the consolidated income statement. Interest income on debt instruments is recognised in the income statement as net interest income on an effective interest rate basis. When there is objective evidence of impairment, the cumulative loss previously recognised in equity is removed from equity and recognised in the income statement under "Impairment of Financial Assets." Dividend income on equity investments is recorded as dividend income, according to when the right of the payment has been established.</p>
Financial assets at fair value through profit or loss (including trading): <ul style="list-style-type: none"> •1 Loans and receivables •2 Residential mortgages own book •3 Securitised residential mortgages •4 Debt securities •5 Structured investments •6 Derivative financial assets held for trading and held for hedging •7 Equity investments and investments in associates 	<p>These financial assets are measured at fair value and changes in fair value relating to these assets are recognised in "net trading income" in the consolidated income statement.</p> <p>Interest income on debt instruments which are "Fair Value Through Profit or Loss" assets is recorded as net interest income on an effective interest rate basis. Dividend income on equity instruments is recorded as dividend income, according to when the right of the payment has been established.</p>
LIABILITIES	
Financial liabilities at fair value through profit or loss (including trading): <ul style="list-style-type: none"> •1 Debt securities in issue 	<p>Financial liabilities at "Fair Value Through Profit or Loss" are measured at fair value. Changes in fair value are recognised in "net trading income" in our consolidated income statement. The interest expense</p>

structured •2 Derivative financial liabilities held for trading and held for hedging •3 Own debt securities in issue	is recognised in net interest income on an effective interest rate basis.
Debt securities in issue: •1 Own debt securities in issue •2 Debt securities in issue related to securitised mortgages	Debt securities in issue are measured at amortised cost. The interest expense is recognised in net interest income on an effective interest rate basis.

As at 1 January 2007, we have classified newly originated fixed rate plain vanilla funding as financial liabilities at fair value through profit or loss and all newly acquired equity investments, investments in associates and investments in joint ventures held by the Principal Investments SBU as financial assets at fair value through profit or loss. As at 1 July 2007, we have classified all newly originated loans and receivables as loans and receivables at amortised cost and all newly originated assets in the EU structured credits books as available for sale.

Critical Accounting Estimates

Our accounting policies under IFRS are described on pages F- 137 to F- 164 in the notes to our 2007 consolidated financial statements as set out in "Index to Financial Statements."

Certain of these policies and our use of estimates are important for an understanding of our financial condition and results of operations. Our complex accounting estimates require subjective judgement in the valuation of some assets and liabilities. The accounting estimates that are critical to us are described on pages F- 165 to F- 173 in the notes to our 2007 consolidated financial statements as set out in "Index to Financial Statements."

Consolidated Results of Operations – IFRS

The following table sets forth selected financial data extracted from the financial statements of the Company, prepared in accordance with IFRS, including IAS 32 and 39 for the twelve month periods ended 31 December 2007, 2006 and 2005.

Consolidated Income Statement Data

	Twelve months ended 31 December		
	2007	2006	2005
	(€millions)		
Interest and similar income	1,717	1,338	1,107
Interest expense and similar charges	1,470	1,087	832
Net interest income	247	251	275
Fee and commission income	69	62	47
Fee and commission expense	6	1	4
Net fee and commission income	63	61	43
Dividend income	84	35	27
Net trading income	(372)	92	87
Gains less losses from equity investments and associates	108	45	21
Share in profit of associates	11	16	4
Other operating income	5	16	3
Operating income	146	516	460
Operating expenses	221	209	183
Impairment of goodwill	0	0	1

Impairment of financial assets	2	(14)	(39)
Total expenses	223	195	145
Operating profit	(77)	321	315
Results on disposal of subsidiaries	0	1	0
Profit before tax from continuing operations	(77)	322	315
Tax	(75)	69	81
Profit after tax from continuing operations	(2)	253	234
Result from discontinued operations	0	35	(107)
Net profit	(2)	288	127
Net result attributable to minority interest	3	0	(31)
Net profit attributable to parent shareholders	(5)	288	158

Twelve months ended 31 December 2007 compared to twelve months ended 31 December 2006

The following is an explanation of the composition of the line items under IFRS on our consolidated income statement and an analysis of the consolidated results of operations for the twelve months ended December 31, 2007 compared to twelve months ended December 31, 2006.

Net interest income

Net interest income is mainly comprised of interest and similar income less interest expenses and similar charges. It includes interest income on loans and advances to customers, residential mortgages (both own book and securitized) and debt securities, including trading portfolios, as well as the interest expense on our borrowings.

Net interest income and expenses are recognized in the income statement based on the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability upon initial recognition. This calculation includes interest-related fees, transaction costs and any discounts or premiums paid.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Interest and similar income	1,717	1,338
Interest expense and similar charges	1,470	1,087
Net interest income	247	251

Net interest income decreased by €4 million, or 2%, to €247 million for the twelve months ended December 31, 2007 compared to €251 million for the twelve months ended December 31, 2006. The decrease in net interest income was mainly a result of a decrease in net interest income on debt securities. The portfolio of debt securities decreased in 2007 from €7.2 billion to €3.4 billion. Loans and receivables displayed increased interest revenues due to the higher average loan portfolio during 2007. Interest revenues in 2007 on residential mortgages were at the same level as in 2006, reflecting a stable portfolio and stable margins.

Net fee and commission income

Net fee and commission income is mainly comprised of non interest-related fees derived from financial services provided, including arrangement and underwriting fees, incentive and management fees we charge investors for investment management services, M&A Advisory fees and fees for other structuring services. We recognize fee and commission income in the period

during which the services are rendered, if it is probable that future economic benefits will flow to us and these benefits can be measured reliably.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Fee and commission income	69	62
Fee and commission expenses	6	1
Net fee and commission income	63	61

Net fee and commission income increased by €2 million, or 3%, to €63 million for the twelve months ended December 31, 2007 compared to €61 million for the twelve months ended December 31, 2006. The increase was a result of higher advisory and arrangement fees from corporate finance activities partially compensated by lower distribution fees, explained by the low securitization volume in 2007 and higher fee expenses.

Dividend income

Dividend income is mainly comprised of dividends from equity investments and certain funds held within our Financial Markets SBU and is recognized in the income statement on the date that the right to receive payment has been established. Dividends are booked when they are made payable. Dividends on equity investments are usually received in the first half of a year. Dividends on other funds (which mainly comprise of the structured investments discussed earlier under “net interest income”) are received more evenly during the year.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Dividend income	84	35

Dividend income increased by €49 million, or 140%, to €84 million for the twelve months ended December 31, 2007 compared to €35 million for the twelve months ended December 31, 2006. Dividend income from the principal investments business more than quadrupled in 2007 to €38 million driven by high dividends on four equity investments. Dividend income from structured investments more than doubled in 2007 to €46 million, reflecting both an increase in the underlying portfolio of such structured investments as well as an increase in interest rates.

Net trading income

Net trading income is mainly comprised of realized gains and losses arising from disposals and changes in the fair value of financial assets and liabilities classified as "Fair Value Through Profit or Loss" in our consolidated balance sheet (including residential mortgages and related hedges, and assets classified as "trading", which includes debt and other fixed-income securities in the trading portfolios within our Financial Markets SBU and including our structured funding).

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Net trading income	(372)	92

Net trading income decreased by €464 million, or 504%, to a loss of €372 million for the twelve months ended December 31, 2007 compared to a gain of €92 million for the twelve months ended December 31, 2006. The 2007 figure is strongly affected by the results on the U.S. ABS investment book, which to a large extent was de-risked during 2007. We decreased our debt securities portfolio from €7.2 billion at the end of 2006 to €3.4 billion at the end of 2007. This decrease includes the de-risking of the U.S. ABS investment book, which amounted to €2.2 billion at the beginning of 2007 and €0.7 million at the end of 2007. The de-risking was executed by means of two actions: 1) the sale of U.S. securities of €0.7 billion during the first half year of 2007 and 2) the sale of a portfolio of €0.4 billion of all U.S. sub prime residential mortgage ABS securities on 24 August 2007. The remaining decrease of €0.4 billion reflects the before tax loss on the U.S. ABS investment book and the devaluation of the U.S. dollar in 2007.

In 2007, the result in net trading income on the U.S. ABS investment book was a loss of €350 million, before tax. Furthermore, the substantial credit spread widening arising from the instability in the financial markets in 2007 also affected the results of some of our other activities. This credit spread widening led to mark-to-market losses of €110 million on the residential mortgage portfolio, of €19 million on investment and credit trading portfolios, including related credit spread hedges in the financial markets business, of €18 million on the commercial real estate warehouse, partially compensated by a mark-to-market gain of €106 million on the structured funding portfolio fair valued through profit or loss. The remaining results in net trading income include a profit of €7 million on interest rate derivative trading and €10 million on repurchased funding.

Gains less losses from equity investments and associates

As of 1 January 2007, all newly acquired investments in associates and joint ventures held by our Principal Investments SBU are designated at fair value through profit or loss. Previously acquired investments in associates, where material, were accounted for using the equity method and investments in joint ventures were proportionately consolidated. Associates are those entities over whose financial and operating policies we have significant influence, but not control. This change brings our accounting into line with industry practice.

Equity investments acquired before 1 January 2007 held in the investment portfolio of our Principal Investments SBU are classified as available for sale assets in our consolidated balance sheet. With effect from 1 January 2007, all newly acquired equity investments held by our Principal Investments SBU unit are designated upon initial recognition as financial assets at fair value through profit or loss. This change brings our accounting into line with industry practice for venture capital organisations.

With respect to net gains and losses realized on the sale of equity assets designated as available for sale, unrealized changes in the fair value of our equity investments are reported, for the period of the change in value, in the revaluation reserve in our consolidated balance sheet, within shareholders' equity. When we sell such an equity investment, the amounts previously reported in the revaluation reserve as fair value changes are recycled and reported within the gains less losses from equity investments and associates line of our consolidated income statement in the period of the exit. An impairment in the value of an equity investment, as opposed to a fair market value loss, is reported in our consolidated income statement as an impairment loss on financial assets.

With respect to fair value changes made on equity assets designated as fair value through the income statement, unrealized changes in the fair value of these assets are reported, for the period of the change in value, in the income statement.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Gains less losses from equity investments and associates	108	45

Gains less losses from equity investments and associates increased by €63 million, or 140%, to €108 million for the twelve months ended December 31, 2007 compared to €45 million for the twelve months ended December 31, 2006. This substantial increase is driven by €78 million of fair value gains on associates held by our venture capitalist business Principal Investments accounted for as fair value through profit or loss. Furthermore, in both 2006 and 2007 gains were realized on a number of exits.

Share in profit of associates

The share in profit of associates reflects our share of the profit and loss of associates, outside our venture capital organization. Associates are entities over whose financial and operating policies we have significant influence, but not control.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Share in profit of associates	11	16

The share in profit of associates decreased by €5 million, or 31%, to €1 million for the twelve months ended December 31, 2007 compared to €6 million for the twelve months ended December 31, 2006. The result in 2006 is primarily a result of the sale of a structured investment in 2006. The result in 2007 mainly reflects a profit on an asset management company which was sold in 2007.

Other operating income

Other operating income includes all income that is not already included in other line items, including rental income from real estate. In addition, if restructuring and work-out activities lead to a full or partial recovery of an impaired loan that has been previously written off, the resulting gain is classified as "other operating income".

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Other operating income	5	16

Other operating income decreased by €1 million, or 69%, to €5 million for the twelve months ended December 31, 2007 compared to €6 million for the twelve months ended December 31, 2006. The decrease was mainly a result of the sale of an equity stake in 2006 that we acquired in a restructuring process from a Corporate Finance SBU client. If restructuring and work-out activities lead to a full or partial recovery of an impaired loan that has previously been written-off, the resulting gain is classified as "other operating income".

Operating income

Operating income decreased by €370 million, or 72%, to €146 million for the twelve months ended December 31, 2007 compared to €516 million for the twelve months ended December 31, 2006.

Personnel expenses

Personnel expenses include salaries, variable compensation (annual cash and deferred bonuses), pension and other post-retirement charges and social security charges. The amount of deferred variable compensation to be expensed is mainly determined by the duration of the vesting period and the fair value of employee options and RDRs at grant date.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Salaries	71	60
Variable compensation	50	59
Pension and other post retirement charges	12	4
Social security charges	6	6
Other personnel expenses	2	1
Personnel expenses	141	130
Average FTEs	722	650

Personnel expenses increased by €11 million, or 8%, to €141 million for the twelve months ended December 31, 2007 compared to €130 million for the twelve months ended December 31, 2006. The increase is nearly fully a result of higher salaries, mainly due to a higher average number of FTEs, which increased by 11% to 722 in 2007. Furthermore pension and other post retirement charges increased in 2007 by €8 million, due to a one-off release in 2006 of a health care provision, which was compensated by lower flexible rewards by €9 million in 2007.

Other operating expenses

Other operating expenses primarily include costs of information technology, property and equipment, external advisers, recruitment and training and education.

	Twelve months ended December 31 (audited)	
	2007	2006
	(€millions)	
Other operating expenses	63	68

Other operating expenses decreased by €5 million, or 7%, to €63 million for the twelve months ended December 31, 2007 compared to €68 million for the twelve months ended December 31, 2006. The decrease was mainly a result of cost control in specific areas of our business.

Depreciation

Depreciation charges include depreciation on the buildings we use over their estimated useful life, up to a maximum of 50 years, on ICT-related projects, with a three-year depreciation period, and on other fixed assets, such as equipment and furniture, with a three-year depreciation period.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Depreciation	17	11

Depreciation increased by €6 million, or 55%, to €17 million for the twelve months ended December 31, 2007 compared to by €1 million for the twelve months ended December 31, 2006. The increase is fully explained by a one-off accelerated depreciation charge for certain ICT-related projects in 2007.

Operating expenses

Operating expenses increased by €12 million, or 6%, to €21 million for the twelve months ended December 31, 2007 compared to €9 million for the twelve months ended December 31, 2006.

Impairment of goodwill

A goodwill impairment is recognized when the carrying amount of goodwill is greater than its estimated recoverable amount. A reversal of an impairment is not allowed. Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiaries, joint ventures or associates. Goodwill is stated at cost less impairment losses. We perform an annual goodwill impairment test to assess whether their carrying amount of goodwill is fully recoverable.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Impairment of goodwill	-	-

Impairment of goodwill was zero for both 2007 and 2006.

Impairment of financial assets

If there is objective evidence of impairment of an asset accounted for at available for sale (i.e., certain loans and receivables, equity investments and debt securities), we recognise in our income statement the cumulative fair value loss that has been previously recognised (within shareholders' equity) in our balance sheet. We reverse an impairment loss on such an asset if a subsequent increase in the fair value of the asset can be related objectively to an event occurring after the impairment loss was recognised. If there is objective evidence of impairment of an asset designated at amortized cost (i.e., loans and receivables), we recognise in our income statement the difference between the net present value of the future cash flows calculated using the effective yield at origination of the asset and the carrying amount. We reverse an impairment loss on such an asset if a subsequent increase in the net present value of the asset can be related objectively to an event occurring after the impairment loss was recognised. Under the provisions of IFRS, an impairment loss on an "equity investment" cannot be reversed through the income statement.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Impairment of financial assets	2	(14)

For the twelve months ended December 31, 2007 impairment losses amounted to €2 million, compared to a net impairment reversal of €14 million for the twelve months ended December 31, 2006. In the first twelve months of 2007, we reversed utility related and aviation related loan impairments due to repayments, which were more than offset by new loan impairments, mainly on automotive and services exposures. In 2006, we reversed a number of aviation-related loan impairments and, to a lesser extent, loan impairments related to companies in the utilities and leisure sectors. The reversals in 2006 were partially offset by new loan impairments in the trade and manufacturing sectors.

Total expenses

Total expenses increased by €28 million, or 14%, to €223 million for the twelve months ended December 31, 2007 compared to €195 million for the twelve months ended December 31, 2006.

Operating profit

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Operating profit	(77)	321

Operating profit decreased by €398 million, or 124%, to a loss of €77 million for the twelve months ended December 31, 2007 compared to a profit of €321 million for the twelve months ended December 31, 2006.

Results on disposal of subsidiaries

Results on disposal of subsidiaries reflect the gains and losses arising on the sale of subsidiaries. Subsidiaries are entities over which we exercised control and are consolidated in our financial statements.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Results on disposal of subsidiaries	-	1

Results on disposal of subsidiaries were nil for the twelve months ended December 31, 2007 compared to €1 million for the twelve months ended December 31, 2006. The result in 2006 reflected the disposal of NIBC Bank (NA) N.V.

Profit before tax from continuing operations

Profit before tax from continuing operations decreased by €399 million, or 124%, to a loss of €77 million for the twelve months ended December 31, 2007 compared to a profit of €322 million for the twelve months ended December 31, 2006.

Tax

Tax comprises corporate income taxes in the countries in which we operate.

	2007	2006
	(€millions)	
Our tax expenses can be analysed as follows:		
Profit before tax from continuing operations	(77)	322
Tax calculated at the nominal Dutch corporate tax rate	(22)	96
Effect of different tax rates in other countries	1	(2)
Impact of income not subject to tax	(55)	(25)
Impact of expenses not deductible for tax purposes	9	2
Release of provision relating to prior years	(6)	0
Utilisation of previously unrecognised tax losses	(2)	(2)
Tax	(75)	69
Effective tax rate	97.4%	21.4%
Dutch corporate tax rate	25.5%	29.6%

In the table above, the effective tax rate is the taxation in our consolidated income statement divided by our profit before tax from continuing operations for the same period.

Income tax expense decreased by €144 million, or 208%, to a tax benefit of €75 million for the twelve months ended December 31, 2007 compared to a tax expense of €69 million for the twelve months ended December 31, 2006. This development reflects the high level of tax exempt income in 2007 through our structured finance and equity investment activities (for example, dividend receipts and sale results that are exempt in accordance with Dutch tax law under the so-called "participation exemption"), the lowering of the Dutch nominal tax rate from 29.6% in 2006 to 25.5% in 2007 and the release of tax provisions built up in earlier years.

Profit after tax from continuing operations

Profit after tax from continuing operations decreased by €255 million, or 101%, to a net loss of €2 million for the twelve months ended December 31, 2007 compared to a net profit of €253 million for the twelve months ended December 31, 2006.

Result from discontinued operations

Our result from discontinued operations is comprised of results from disposed businesses. We adopted IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations), effective January 1, 2006. Consequently, Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Harcourt	-	35
Result for the period from discontinued operations	-	35

The result from discontinued operations was nil in the twelve months ended December 31, 2007 compared to a profit of €35 million in the twelve months ended December 31, 2006. The profit in 2006 of €35 million nearly fully reflects the sale of Harcourt.

Net profit

Net profit decreased by €290 million, or 101%, to a net loss of €2 million for the twelve months ended December 31, 2007 compared to a net profit of €288 million for the twelve months ended December 31, 2006.

Net result attributable to minority interest

The net result attributable to minority interest includes the result that is attributable to shareholders of entities consolidated in our financial statements, other than us.

	Twelve months ended December 31	
	(audited)	
	2007	2006
	(€millions)	
Net result attributable to minority interest	3	-

Net result attributable to minority interest was €3 million in the twelve months ended December 31, 2007 compared to nil in the twelve months ended December 31, 2006. Net result attributable to minority interest concerns third party interests in a number of funds established by us.

Net profit attributable to parent shareholders

Net profit attributable to parent shareholders decreased by €293 million, or 102%, to a net loss of €5 million for the twelve months ended December 31, 2007 compared to a net profit of €288 million for the twelve months ended December 31, 2006.

Twelve months ended 31 December 2006 compared to twelve months ended 31 December 2005

The following is an explanation of the composition of the line items under IFRS in our consolidated income statement and an analysis of our consolidated results of operations for the twelve months ended 31 December 2006 compared to the twelve months ended 31 December 2005. In both periods, our results were prepared in accordance with IFRS (including IAS 32 and 39).

Net interest income

	Twelve months ended December 31 (audited)	
	2006	2005
	(€millions)	
Interest and similar income	1,338	1,107
Interest expense and similar charges	1,087	832
Net interest income	251	275

Net interest income decreased by €24 million, or 9%, to €251 million for the twelve months ended 31 December 2006 compared to €275 million for the twelve months ended 31 December 2005. The decrease in net interest income was mainly a result of a decrease in net interest income on the corporate loan portfolio held by our Corporate Finance SBU and lower net interest income in our Financial Markets SBU. The decrease in net interest income on the corporate loan portfolio of our Corporate Finance SBU was mainly caused by lower average net interest margins. The development of net interest income in our Financial Markets SBU was, among other things, affected by a growing volume of structured investments generating revenues in dividends instead of in interest income, while the funding expenses of these portfolios remained in net interest income. The income related to these structured investments is not subject to tax.

Net fee and commission income

	Twelve months ended December 31 (audited)	
	2006	2005
	(€millions)	
Net fee and commission income	61	43

Net fee and commission income increased by €18 million, or 42%, to €61 million for the twelve months ended 31 December 2006 compared to €43 million for the twelve months ended 31 December 2005. The increase was primarily a result of growth in management and incentive fees within our Investment Management SBU due to a substantial increase in our third-party Assets under Management, as well as an increase in our fees from M&A Advisory transactions and financing transactions in which we acted as lead arranger.

Dividend income

	Twelve months ended December 31 (audited)	
	2006	2005
	(€millions)	
Dividend income	35	27

Dividend income increased by €8 million, or 30%, to €35 million for the twelve months ended 31 December 2006 compared to €27 million for the twelve months ended 31 December 2005.

The increase was mainly a result of an increase in dividend income derived from investments in funds and other structured transactions, which are structured as equity. The increase in dividend income in 2006 reflects an increase in the underlying portfolio of such structured investments.

Net trading income

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Net trading income	92	87

Net trading income increased by €5 million, or 6%, to €92 million for the twelve months ended 31 December 2006 compared to €87 million for the twelve months ended 31 December 2005. Our Financial Markets SBU contributed to an increase in net trading income in 2006. This increase was partly offset by a decrease in our Corporate Finance SBU, partly related to lower revenues from secondary loan trading, and a decline in net trading income in our Real Estate Markets SBU related to our residential mortgage portfolio. Credit spreads in the residential mortgage market tightened slightly in 2006 but much less than in 2005. The sale of a €1 billion residential mortgage portfolio had a substantially positive impact on net trading income in our Real Estate Markets SBU in 2006. Fair value gains on our CMBS assets generated an amount of €9 million of net trading income in 2006.

Gains less losses from equity investments

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Gains less losses from equity investments	45	21

Gains less losses from equity investments increased by €24 million, or 114%, to €45 million for the twelve months ended 31 December 2006 compared to €21 million for the twelve months ended 31 December 2005. The increase reflected improved exit results within our Principal Investments SBU.

Share in profit of associates

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Share in profit of associates	16	4

Share in profit of associates increased by €12 million, to €16 million for the twelve months ended 31 December 2006 compared to €4 million for the twelve months ended 31 December 2005. The increase was primarily a result of the sale of a structured investment. This investment was classified as an associate in our balance sheet.

Other operating income

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Other operating income	16	3

Other operating income increased by €13 million to €16 million for the twelve months ended 31 December 2006 compared to €3 million for the twelve months ended 31 December 2005. The increase was mainly a result of the sale of an equity stake that we acquired in a restructuring process from a Corporate Finance SBU client.

Operating income

Operating income increased by €6 million, or 12%, to €16 million for the twelve months ended 31 December 2006 compared to €10 million for the twelve months ended 31 December 2005.

Personnel expenses

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Salaries	60	50
Variable compensation	59	58
Pension and other post retirement charges	4	8
Social security charges	6	5
Other personnel expenses	1	1
Personnel expenses	130	122
Average FTEs	650	619

Personnel expenses increased by €8 million, or 7%, to €130 million for the twelve months ended 31 December 2006 compared to €122 million for the twelve months ended 31 December 2005. The increase was primarily a result of a higher average number of FTEs, and particularly the hiring of more experienced and more expensive staff and higher costs of temporary staff, partly offset by the release of a medical care provision of €6 million. Variable compensation accounted for 45% of our total personnel expenses in the twelve months ended 31 December 2006, compared to 48% in the twelve months ended 31 December 2005. Variable compensation included one-off expenses of €15 million in 2006, mainly related to the accelerated vesting of Options compared to €25 million of one-off expenses in 2005, as a result of awards under our Liquidity Event Plan and NIBC Choice in connection with the Consortium Acquisition. The preparations for our initial public offering in 2006 triggered the accelerated vesting of certain options, as a result of which we have incurred €10 million of personnel expenses at the end of 2006.

Other operating expenses

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Other operating expenses	68	50

Other operating expenses increased by €18 million, or 36%, to €68 million for the twelve months ended 31 December 2006 compared to €50 million for the twelve months ended 31 December 2005. Our other operating expenses included €3 million of one-off transaction costs in 2006 related to the preparation for the our initial public offering and included €8 million in one-off transaction costs related to the Consortium Acquisition in 2005. Excluding these costs, our other operating expenses increased by 55% in 2006. The increase was mainly a result of growing expenses related to our operations and ICT infrastructure.

Depreciation

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Depreciation	11	11

Depreciation remained stable at €11 million for the twelve months ended 31 December 2006 compared to €11 million for the twelve months ended 31 December 2005.

Operating expenses

Operating expenses increased by €26 million, or 14%, to €209 million for the twelve months ended 31 December 2006 compared to €183 million for the twelve months ended 31 December 2005.

Impairment of goodwill

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Impairment of goodwill	0	1

Goodwill impairment decreased by €1 million to nil for the twelve months ended 31 December 2006 compared to €1 million for the twelve months ended 31 December 2005.

Impairment of financial assets

	Twelve months ended 31 December	
	2006	2005
	(€millions)	
Impairments		
"Available for Sale" assets – Equity investments	1	1
"Available for Sale" assets – Loans and advances to customers	14	28
Sub total	15	29
Reversals of impairment		
"Available for Sale" assets – Loans and advances to customers	29	68
Net reversal of impairment losses	(14)	(39)

In the twelve month periods ended 31 December 2006 and 31 December 2005, substantial net reversals of impairment losses were recorded. Net reversal of impairment losses on financial

assets decreased by €25 million, or 64%, to €14 million for the twelve months ended 31 December 2006 compared to €39 million for the twelve months ended 31 December 2005. In 2006 we reversed a number of aviation-related loan impairments and, to a lesser extent, loan impairments related to companies in the utilities and leisure sectors. These reversals were less substantial compared to the 2005 reversals in these sectors. The reversals in 2006 were partially offset by new loan impairments in the trade and manufacturing sectors, whereas in 2005 reversals were partially offset by new loan impairments particularly in the aviation sector.

Total expenses

Total expenses increased by €50 million, or 34%, to €195 million for the twelve months ended 31 December 2006 compared to €145 million for the twelve months ended 31 December 2005.

Operating profit

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
Operating profit	321	315

Operating profit increased by €6 million, or 2%, to €321 million for the twelve months ended 31 December 2006 compared to €315 million for the twelve months ended 31 December 2005.

Results on disposal of subsidiaries

	Twelve months ended 31 December	
	2006	2005
	(€millions)	
Results on disposal of subsidiaries	1	0

Results on disposal of subsidiaries was €1 million for the twelve months ended 31 December 2006 compared to nil for the twelve months ended 31 December 2005. Results on disposals of subsidiaries in the twelve months ended 31 December 2006 reflected the disposal of NIBC Bank (NA) N.V.

Profit before tax from continuing operations

Profit before tax from continuing operations increased by €7 million, or 2%, to €322 million for the twelve months ended 31 December 2006 compared to €315 million for the twelve months ended 31 December 2005.

Tax

Tax comprises corporate income taxes in the countries in which we operate.

	2006	2005
	(€millions)	
Our tax expenses can be analysed as follows:		
Profit before tax from continuing operations	322	315
Tax calculated at the nominal Dutch corporate tax rate	96	99
Effect of different tax rates in other countries	(2)	(4)

Impact of income not subject to tax	(25)	(13)
Impact of expenses not deductible for tax purposes	2	1
Utilisation of previously unrecognised tax losses	(2)	(2)
Tax	69	81
Effective tax rate	21.4%	25.7%
Dutch corporate tax rate	29.6%	31.5%

In the table above, the impact of income not subject to tax mainly refers to tax exempt income (for example, dividend receipts and sale results that attract a nil rate of taxation in accordance with Dutch tax law under the so-called "participation exemption"). The effective tax rate is the taxation in our consolidated income statement divided by our profit before tax from continuing operations for the same period.

Tax decreased by €12 million, or 15%, to €69 million for the twelve months ended 31 December 2006 compared to €81 million for the twelve months ended 31 December 2005. The decrease in the effective tax rate was mainly a result of the lowering of the Dutch nominal tax rate from 31.5% in 2005 to 29.6% in 2006 and the increase in our levels of income not subject to tax through our structured finance and equity investment activities.

Profit after tax from continuing operations

Profit after tax from continuing operations increased by €19 million, or 8%, to €253 million for the twelve months ended 31 December 2006 compared to €234 million for the twelve months ended 31 December 2005.

Result from discontinued operations

Our result from discontinued operations is comprised of results from disposed businesses. With effect from 1 January 2005, we adopted IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations). Consequently, NPD was classified as "discontinued" in our 2005 financial statements (including comparative figures for 2004). Harcourt and Wealth Management were classified as "discontinued" in our 2006 financial statements, and therefore we also classify here the comparative figures for Harcourt and Wealth Management for 2005 as "result from discontinued operations."

The result from discontinued operations after taxation but before minority interests for NPD, Harcourt and Wealth Management is presented below.

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
NPD	0	(110)
Harcourt	35	5
Wealth Management	0	(2)
Result for the period from discontinued operations	35	(107)

Result from discontinued operations was €35 million in the twelve months ended 31 December 2006 compared to a loss of €107 million in the twelve months ended 31 December 2005.

Net profit

Net profit increased by €161 million, or 127%, to €288 million for the twelve months ended 31 December 2006 compared to €127 million for the twelve months ended 31 December 2005.

Net result attributable to minority interest

The net result attributable to minority interest includes the result that is attributable to shareholders of NPD, Harcourt and Wealth Management other than us.

	Twelve months ended December 31	
	(audited)	
	2006	2005
	(€millions)	
NPD	0	(32)
Harcourt	0	2
Wealth Management	0	(1)
Net result attributable to minority interest	0	(31)

Net result attributable to minority interest was nil for the twelve months ended 31 December 2006 compared to negative €31 million for the twelve months ended 31 December 2005.

Net profit attributable to parent shareholders

Net profit attributable to parent shareholders increased by €130 million, or 82%, to €288 million for the twelve months ended 31 December 2006 compared to €158 million for the twelve months ended 31 December 2005.

Balance Sheet Analysis

The following table sets forth selected balance sheet data extracted from our consolidated financial statements, prepared in accordance with IFRS, as at 31 December 2007, 2006 and 2005.

The following table and explanation present our balance sheet as at the dates indicated and are not necessarily indicative of our assets and liabilities during the entire period presented.

Consolidated Balance Sheet Data

	As at 31 December		
	2007	2006	2005
	(€millions)		
Assets			
Financial assets at amortised cost			
Cash and balances with central banks	874	239	530
Due from other banks	3,150	1,765	1,725
Loans and receivables	1,258	0	0
Securitised loans	638	0	0
Financial assets at available for sale			
Loans and receivables	5,164	6,897	7,098
Equity investments	144	185	165
Debt securities	311	0	0
Financial Assets Fair Value Through Profit or Loss (Including Trading)			
Loans and receivables	1,374	952	0

Residential mortgages own book	5,285	4,438	5,029
Securitised residential mortgages	6,356	6,988	8,417
Debt securities	3,055	7,202	6,274
Structured investments	1,212	916	361
Investments in associates	147	0	0
Derivative financial assets held for trading	2,633	1,940	1,584
Derivative financial assets used for hedging	85	300	214
Investments in associates	44	33	24
Intangible assets	338	338	347
Property and other fixed assets (for own use)	72	82	61
Investment property	1	8	17
Current tax assets	106	49	0
Deferred tax assets	20	3	7
Other assets	142	301	341
Total assets	32,409	32,636	32,194
Liabilities and Shareholders Equity			
Due to other banks	5,455	3,401	1,530
Other deposits	1,282	2,581	2,376
Other borrowings	2	13	20
Financial Liabilities Fair Value Through Profit or Loss (Including Trading)			
Debt securities in issue structured	4,152	4,553	5,298
Own debt securities in issue	215	0	0
Derivative financial liabilities held for trading	2,291	2,011	1,832
Derivative financial liabilities used for hedging	53	133	159
Debt Securities in Issue			
Own debt securities in issue	9,035	9,334	9,231
Debt securities in issue related to securitised mortgages	7,214	7,246	8,411
Other liabilities	252	500	573
Current tax liabilities	0	0	32
Deferred tax liabilities	24	60	54
Employee benefit obligations	11	17	29
Subordinated liabilities			
Amortised cost	236	256	361
Fair value through profit or loss	497	432	316
Total liabilities	30,719	30,537	30,222
Shareholders' Equity			
Share capital	1,363	1,363	1,362
Other reserves	225	369	299
Retained earnings	96	79	149
Net profit allocated to parent shareholders	(5)	288	158
Total parent shareholders' equity	1,679	2,099	1,968

Minority interest	11	0	4
Total shareholders' equity	1,690	2,099	1,972
Total liabilities and shareholders' equity	32,409	32,636	32,194

Assets

The assets discussed below are those we consider most material to our business and results of operations. For more details, see the notes to our consolidated financial statements as set out in "Index to Financial Statements."

Loans and receivables

Loans and receivables mainly consist of loans advanced to our corporate clients by our Corporate Finance SBU. Loans and receivables were €8,434 million as at 31 December 2007, €7,849 million as at 31 December 2006 and €7,098 million as at 31 December 2005. Further to our adoption of IFRS, €6,538 million of these loans were reported at fair value and €1,896 million at amortised cost at 31 December 2007. All loans were reported at fair value at 31 December 2006 and 31 December 2005.

The increase as at 31 December 2007 of €585 million compared to 31 December 2006 mainly reflects the growth of our commercial real estate portfolio, partially compensated by the impact of a weakening U.S. dollar exchange rate against the Euro in 2007 on our U.S. dollar-denominated corporate loan book, which comprised 17% of our total corporate loan portfolio as at 31 December 2007 (drawn amounts). A part of the commercial real estate portfolio was securitized in 2007, but the securitization remained on-balance. Excluding this effect the total portfolio of loans and receivables remained relatively stable in 2007.

The increase as at 31 December 2006 of €751 million compared to 31 December 2005 was largely a reflection of the increase of the commercial real estate portfolio, partially compensated by the impact of a weakening U.S. dollar exchange rate against the Euro in 2006 on our U.S. dollar-denominated corporate loan book, which comprised 22% of our total corporate loan portfolio as at 31 December 2006 (drawn amounts).

Residential mortgages

Residential mortgages consist of Dutch residential mortgages and are reported in two categories in the balance sheet: the warehouse of "residential mortgages own book" and "securitised residential mortgages" (being mortgages which have been securitised and which are held by an SPV which we control and consolidate). Further to our adoption of IFRS, both categories of mortgages were reported at fair value at 31 December 2007, 2006, and 2005. Our residential mortgages own book were €5,285 million as at 31 December 2007, €4,438 million as at 31 December 2006 and €5,029 million as at 31 December 2005. The amount of mortgages we hold in the residential mortgage own book warehouse on any given date depends on, among other things, whether or not we have recently completed one or more securitisations, and as a result the actual amount of mortgage assets on our balance sheet at any given date can vary significantly throughout the year. Furthermore the volume of our residential mortgages own book is affected by repayments and prepayments and replenishment of repaid and prepaid mortgages in securitisations. The securitised residential mortgage portfolio was €6,356 million as at 31 December 2007, €6.988 million as at 31 December 2006 and €8,417 million as at 31 December 2005.

The increase of our residential mortgages own book as at 31 December 2007 of €847 million compared to 31 December 2006 was mainly due to the acquisition of €0.7 billion of German residential mortgage portfolios in 2007. Furthermore in 2007, origination of €1.4 billion

and inflow from the redemption of securitisations of €0.6 billion was nearly fully compensated by a decrease of the portfolio through a securitization transaction of €0.8 billion, replenishments of €0.7 billion and (p)repayments of €0.3 billion.

The reduction of our residential mortgages own book as at 31 December 2006 of €91 million compared to 31 December 2005 was mainly due to the sale of a €1 billion residential mortgage portfolio in 2006, partially compensated by the origination of residential mortgages in 2006. Furthermore, the volume of our residential mortgages own book is affected by repayments and prepayments and replenishment of repaid and prepaid mortgages in securitisations. No residential mortgage securitisations were completed in 2006. The decrease of our securitised residential mortgages in 2006 mainly reflected the level of repayments and prepayments of residential mortgages in transactions for which replenishment was not a requirement.

Debt securities

Debt securities consist of our non-derivative interest bearing securities held both for trading and longer term investment purposes, including fund investments of Treasury and Investment Portfolio, a team within our Financial Markets SBU, and its fixed-income investment portfolio. Debt securities were €3,366 million as at 31 December 2007, €7,202 million as at 31 December 2006 and €6,274 million as at 31 December 2005. Further to our adoption of IFRS debt securities were reported at fair value at 31 December 2007, 2006 and 2005.

The decrease as at 31 December 2007 of €3,836 million compared to 31 December 2006 was mainly due to the de-risking of the portfolio in 2007. The U.S. ABS investment book decreased by €1.5 billion to €0.7 million through outright sales of individual securities and the sale of the U.S. sub prime residential mortgage ABS portfolio to our shareholders. Furthermore the EU corporate credits portfolio was downsized by €0.6 billion, from €0.8 billion to €0.2 billion and the EU structured credits portfolio by €0.6 billion, from €1.9 billion to €1.3 billion. The remaining decrease of €1.1 billion is mainly explained by a decrease in volume of the highly rated financial and sovereign bond portfolio. These developments include the effect of the weakening of the U.S. dollar exchange rate against the Euro in 2007. U.S. dollar-denominated debt securities, as at 31 December 2007, comprised 32% of our total debt securities portfolio.

The increase as at 31 December 2006 of €928 million compared to 31 December 2005 was mainly due to the growth of the Treasury and Investment Portfolio fixed-income investment portfolio that is managed by NIBC Credit Management, Inc., partly offset by the weakening U.S. dollar exchange rate against the Euro in 2006. U.S. dollar-denominated debt securities, as at 31 December 2006, comprised 42% of our total debt securities portfolio.

Derivative financial assets held for trading

Derivative financial assets held for trading consist of credit, interest rate, currency and equity derivatives held for trading. In accordance with IAS 39, the derivative financial assets are reported at fair value on our balance sheet at 31 December 2007, 2006 and 2005. Derivative financial assets held for trading were €2,633 million as at 31 December 2007, €1,940 million as at 31 December 2006 and €1,584 million as at 31 December 2005. This balance sheet item is also affected by the level of the U.S. dollar exchange rate against the Euro at each balance sheet date.

The increase in the periods under review was mainly related to an increase of the volume of derivatives in our trading portfolios.

Intangible assets

Intangible assets principally consist of goodwill related to the acquisition of De Nationale Investeringsbank N.V. in 1999. Intangible assets were €338 million as at 31 December 2007 and

2006 and €347 million as at 31 December 2005. The decrease as at 31 December 2006 compared to 31 December 2005 was related to the disposal of Harcourt.

Other assets

Other assets are mainly composed of accrued interest and receivables. Other assets were €142 million as at 31 December 2007, €301 million as at 31 December 2006 and €341 million as at 31 December 2005. The decrease in other assets as at 31 December 2007 compared to 31 December 2006 primarily reflected the transfer of interest receivables on all financial instruments excluding residential mortgages and loans and receivables to the carrying values of the underlying assets in the balance sheet.

Liabilities

The liabilities discussed below are those we consider most material to our business and results of operations.

Due to other banks

Due to other banks was €5,455 million as at 31 December 2007, €3,401 million as at 31 December 2006 and €1,530 million as at 31 December 2005. The increase as at 31 December 2007 of €2,054 compared to 31 December 2006 was mainly due to an increase in funding from other banks secured by pledged assets, reflecting the market situation in 2007 and decreasing our reliance on unsecured funding.

Other deposits

Other deposits are mainly certificates of deposit. Other deposits were €1,282 million as at 31 December 2007, €2,581 million as at 31 December 2006 and €2,376 million as at 31 December 2005. The decrease as at 31 December 2007 of €1,299 compared to 31 December 2006 was mainly due to an increase in funding from other banks – as explained above “Due to other banks” - which allowed us to decrease our reliance on certificate of deposit products for funding.

Debt securities in issue (structured)

Debt securities in issue (structured) consist of "structured funding," which are debt securities with embedded derivatives tailored to investors' specific needs. Further to our adoption of IFRS, debt securities in issue (structured) were reported at fair value at 31 December 2007, 2006 and 2005. Debt securities in issue (structured) were €4,152 million as at 31 December 2007, €4,553 million as at 31 December 2006 and €5,298 million as at 31 December 2005.

The decrease as at 31 December 2007 of €401 million compared to 31 December 2006 was mainly due to a decrease in the volume of new structured funding issues and partly due to the decrease of the U.S. dollar exchange rate against the Euro in 2007. U.S. dollar-denominated debt securities in issue (structured), as at 31 December 2007, comprised 17% of our total debt securities in issue (structured).

The decrease as at 31 December 2006 of €745 million compared to 31 December 2005 was mainly due to a decrease in the volume of new structured funding issues and partly due to the decrease of the U.S. dollar exchange rate against the Euro in 2006. U.S. dollar-denominated debt securities in issue (structured), as at 31 December 2006, comprised 24% of our total debt securities in issue (structured).

Derivative financial liabilities held for trading

Derivative financial liabilities held for trading consist of credit, interest rate, currency and equity derivatives held for trading. In accordance with IAS 39, the derivative financial liabilities

are reported at fair value on our balance sheet at 31 December 2007, 2006 and 2005. Derivative financial liabilities held for trading were €2,291 million as at 31 December 2007, €2,011 million as at 31 December 2006 and €1,832 million as at 31 December 2005. This balance sheet item is also affected by the level of the U.S. dollar exchange rate against the Euro at each balance sheet date.

The increase in the periods under review was mainly related to an increase of the volume of derivatives in our trading portfolios.

Own debt securities in issue

Own debt securities in issue consist of both fixed and floating rate vanilla debt securities. Own debt securities in issue were €9,250 million as at 31 December 2007, €9,334 million as at 31 December 2006 and €9,231 million as at 31 December 2005. Further to our adoption of IFRS, €9,035 million of own debt securities in issue were reported at amortised cost and €215 million at fair value at 31 December 2007. As at 1 January 2007, we have classified newly originated fixed rate plain vanilla funding as financial liabilities at fair value through profit or loss. Own debt securities in issue were reported at amortised cost at 31 December 2006 and 2005.

In the periods under review the volume of own debt securities in issue remained relatively stable. U.S. dollar-denominated own debt securities in issue as a percentage of our total own debt securities in issue was 11% as at 31 December 2007 and 9% as at 31 December 2006.

Debt securities in issue related to securitised mortgages

Debt securities in issue related to securitised mortgages consist of debt securities issued by SPVs that we consolidate. Further to our adoption of IFRS, debt securities in issue related to securitised mortgages were reported at amortised cost at 31 December 2007, 2006 and 2005. Debt securities in issue related to securitised mortgages were €7,214 million as at 31 December 2007, were €7,246 million as at 31 December 2006, and €8,411 million as at 31 December 2005.

Debt securities in issue related to securitised mortgages remained stable in 2007, which is consistent with development in securitised mortgages on the asset side of our balance sheet in 2007 under securitized residential mortgages and securitized (commercial mortgage) loans.

Debt securities in issue related to securitised mortgages decreased by €1,165 million as at 31 December 2006 compared to 31 December 2005, which is consistent with development in securitised mortgages on the asset side of our balance sheet in 2007 under securitized residential mortgages, after correcting for debt securities issued by consolidated SPVs and held by an NIBC entity, which are eliminated on a consolidated level.

Other liabilities

Other liabilities are mainly composed of interest accruals and other payables. Other liabilities were €252 million as at 31 December 2007, €500 million as at 31 December 2006 and €573 million as at 31 December 2005. The decrease in other liabilities as at 31 December 2007 compared to 31 December 2006 primarily reflected the transfer of interest payables on all liabilities to the carrying values of the underlying liabilities in the balance sheet.

Contractual Obligations and Commercial Commitments

Commitments

At any time, we have outstanding commitments to extend credit during the loan offer period. These outstanding loan commitments have a commitment period that generally does not extend beyond the normal underwriting and settlement period of one to three months. The commitments we extend to customers related to mortgages at fixed interest rates or fixed spreads are hedged with interest rate swaps reported at fair value. These mortgage-related commitments are

designated upon initial recognition, even prior to funding the loan, as "Fair Value Through Profit or Loss" assets.

We provide financial guarantees and letters of credit to guarantee to third parties the performance of obligations of customers. 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 both our outstanding commitments to extend credit (excluding mortgage commitments which are already accounted for in our consolidated balance sheet, designated as "Fair Value Through Profit or Loss" assets) and our commitments to provide guarantees and letters of credit are set out in the following table by category. The table presents undrawn facility amounts representing our full exposure under all our undrawn commitments to extend credit. The contractual amounts of guarantees and letters of credit represent our maximum credit risk at the balance sheet date if counterparties fail to perform according to the terms of the contract.

	As at 31 December		
	2007	2006	2005
		(€millions)	
Undrawn facilities	2,380	2,750	2,183
Guarantees and letters of credit	667	1,542	1,823
Contract amount	3,047	4,292	4,006

Most of these commitments expire without a default occurring or without being advanced in whole or in part. Therefore, the amounts do not represent expected future credit exposure or funding requirements.

Besides above mentioned commitments we are not dependent on patents, licences, industrial, commercial or financial contracts or new manufacturing processes nor are there any contracts with shareholders of the Consortium, which are material to our business or profitability.

Liabilities

Our securitised residential mortgages are pledged as collateral for the debt securities issued by SPVs in the course of securitisations. We also pledge assets (specifically those designated as "Due from other banks", "Loans and receivables", "Residential mortgages own book" and "Debt securities" in our consolidated balance sheet) as collateral for financial liabilities related to both financing attracted from other banks (including the European Central Bank) as well as certain derivative positions.

With our main derivatives counterparties, there are credit support annexes ("CSAs") in place. Under these CSAs, (cash) collateral is posted or received, in order to reduce counterparty exposure. A small part of our assets is also pledged for liabilities that are not payable on demand (specifically those designated as "Other deposits" and "Other borrowings" in our consolidated balance sheet). We have pledged assets as security in respect of the following liabilities:

Liabilities backed by collateral

	As at 31 December		
	2007	2006	2005
Liability		(€millions)	
Due to other banks	1,900	912	0
Other deposits	0	42	12
Other borrowings	0	4	8
Debt Securities in Issue Related to Securitised	7,214	7,246	8,411

Mortgages			
Derivative financial liabilities	494	551	808
Total liabilities	9,608	8,755	9,239

Details of the fair value amounts of the assets pledged as collateral are as follows:

Value of assets pledged as collateral

Asset	As at 31 December		
	2007	2006	2005
		(€millions)	
Assets utilised as collateral	1,945	945	0
Due from other banks	263	254	578
Loans and receivables	231	344	253
Securitised residential mortgages	6,356	6,988	8,417
Total assets pledged as collateral	8,795	8,531	9,248

The assets utilised as collateral at 31 December 2007 have been determined based on an average haircut of 2.31% (2006: 3.46% and 2005: not applicable) on the total portfolio eligible for use to collateralise funding of €4.0 billion (2006: €1.3 billion and 2005: €0.9 billion). As of 31 December 2007 our excess cash liquidity was €1.8 billion, consisting of €0.9 billion cash placed with the Dutch Central Bank and €0.9 billion placed overnight with other banks.

Capitalisation of NIBC Bank

The principal ratios for reviewing the capital adequacy of our wholly-owned subsidiary NIBC Bank are the Tier-1 ratio and the total capital ratio. These ratios, which were implemented by the Bank for International Settlements ("BIS"), are intended to promote comparability between financial institutions. For the periods under review they were still based on the 1988 Basel Capital I Accord. The capitalisation ratios presented below all relate to NIBC Bank, which is a regulated bank on the basis of a license granted by the Dutch Central Bank. See "Regulation, Compliance and Internal Audit – Regulation – The Netherlands."

In the periods under review we monitored developments in NIBC Bank's ratios on a monthly basis, including a comparison between the expected ratios and the actual ratios. These ratios demonstrate the adequacy of NIBC Bank's capital relative to our risk weighted assets. NIBC Bank complies with the minimum requirements set by the Dutch Central Bank for a Tier-1 ratio of 4% and a total capital (BIS) ratio of 8%.

In 2007, NIBC Bank's Tier-1 ratio decreased from 12.3% as at 31 December 2006 to 11.7% as at 31 December 2007 and its total capital (BIS) ratio increased from 13.3% as at 31 December 2006 to 13.4% as at 31 December 2007. The decrease of the Tier-1 ratio mainly reflected an increase in risk weighted assets. The core Tier-1 ratio decreased from 9.6% as at 31 December 2006 to 9.5% as at 31 December 2007.

In 2006, NIBC Bank's Tier-1 ratio increased from 12.1% as at 31 December 2005 to 12.3% as at 31 December 2006 and its total capital (BIS) ratio decreased from 13.6% as at 31 December 2005 to 13.3% as at 31 December 2006. The increase of the Tier-1 ratio reflected an increase in the hybrid Tier-1 capital and was partially offset by an increase in risk weighted assets. The core Tier-1 ratio decreased from 10.2% as at 31 December 2005 to 9.6% as at 31 December 2006.

Below is an overview of NIBC Bank's capitalisation as at 31 December 2007, 2006 and 2005 together with details of its capitalisation ratios. Tier-1 capital consists of NIBC Bank's share

capital, reserves (excluding the hedging reserve and the revaluation reserve), retained earnings and hybrid Tier-1 capital, net of intangible fixed assets and proposed dividend. Total capital (BIS) consists of Tier-1 capital plus that part of the revaluation reserve that relates to equity investments and property and subordinated loans adjusted for deductible items.

	As at 31 December		
	2007	2006	2005
		(€millions)	
Share capital (issued and paid up)	80	80	80
Share premium reserve	238	238	238
Revaluation reserve	23	187	138
Hedging reserve	35	46	58
Other reserves and retained earnings	1037	922	1,056
Net profit	98	243	158
Total parent shareholders' equity NIBC Bank N.V.	1,511	1,716	1,728
Minority interest	11	0	0
Total shareholders' equity NIBC Bank N.V.	1,522	1,716	1,728
(Proposed) dividend pay out	0	(62)	(140)
Revaluation reserve	(23)	(187)	(138)
Hedging reserve	(35)	(46)	(58)
Goodwill	0	0	0
Core Tier-1 capital NIBC Bank N.V.	1,464	1,421	1,392
Hybrid Tier-1 capital	356	391	254
Tier-1 capital NIBC Bank N.V.	1,820	1,812	1,646
Revaluation reserve equity investments and property	79	119	85
Subordinated loans	308	233	243
Deductible items	(160)	(222)	(137)
Total Capital (BIS) NIBC Bank N.V.	2,047	1,942	1,837
Risk Weighted Assets (€billions)	15.4	14.8	13.6
Core Tier-1 ratio	9.5%	9.6%	10.2%
Tier-1 ratio	11.7%	12.3%	12.1%
BIS ratio	13.4%	13.3%	13.6%

The table below reconciles the shareholders' equity of NIBC Bank and the Company.

	As at 31 December		
	2007	2006	2005
		(€millions)	
Differences in shareholders' equity between NIBC Bank N.V. and NIBC Holding N.V.			
Total shareholders' equity NIBC Bank N.V.	1,522	1,716	1,728
Capitalised goodwill	338	338	347
Revaluation reserve - available for sale equity investments	(17)	(18)	(14)
Revaluation reserve - property and equipment (for own use)	(4)	(4)	(5)
Net profit allocated to parent shareholders	(103)	45	0
Minority interest Harcourt and Wealth Management	0	0	4
Shares in NIBC Holding NV held by the Foundation	37	21	(43)
Capital injection	17	17	17

Other reserves and retained earnings	(100)	(16)	(61)
Total shareholders' equity NIBC Holding N.V.	1,690	2,099	1,972

The increase in 2007 of the negative difference between the Company and NIBC Bank in "Other reserves and retained earnings" mainly reflects the higher dividend paid out in 2007 by the Company compared to that paid out by NIBC Bank. For additional information about the capitalisation of the Company, see "Capitalisation."

Funding

Our funding policy is to seek a healthy balance between our funding requirements and demand from investors by maintaining a presence in, and regularly returning to, the debt capital markets for additional funds under its different funding programmes in order to maintain its reputation as a flexible, responsive, and reliable issuer. Approximately two-thirds of our annual funding requirements are met through the issuance of either fixed rate or floating rate plain vanilla debt securities, including notes and commercial paper. Approximately one-third of the total annual funding is derived from 'structured funding', which involves the issuance of debt securities with embedded options tailored to specific investors' need. All embedded options in structured funding are hedged back-to-back in order to minimise the risk associated with the various types of embedded options. The hedging activity effectively creates synthetic floating rate funding. The net result of a structured funding transaction and the corresponding hedge transaction is funding that is, in economic terms, plain vanilla funding, but at lower funding costs than we would pay for actual plain vanilla funding.

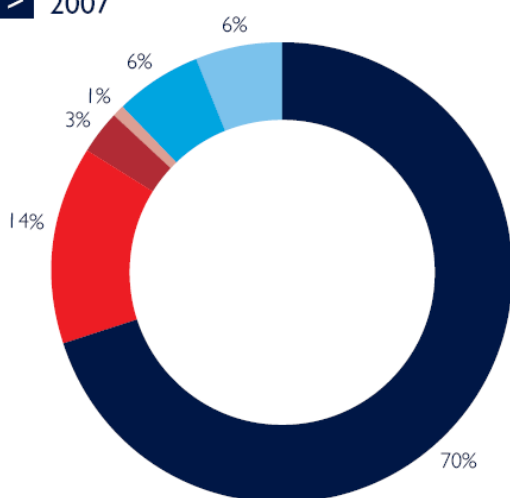
A part of our portfolios qualifies as eligible assets that may be held as collateral with the European Central Bank in order to raise short-term funding with the European Central Bank. As at 31 December 2007, our European Central Bank eligible funding capacity (being the sum of drawn and unused funding) had increased to EUR 4.8 billion compared to EUR 2.2 billion as at 31 December 2006. Our European Central Bank eligible funding capacity equals approximately 95%-100% of the fair value of European Central Bank eligible assets; the haircut as determined by the European Central Bank, depends on the nature of the assets. We also have a three-year EUR 850 million committed liquidity facility with a group of international financial institutions, which further enhances our liquidity position.

An overview of the funding portfolio at 31 December 2007 and 2006 is shown in the following charts. The primary source of funding is the issuance of debt securities through both private placements and public offerings. The current investor base is predominantly located in Germany, the UK, France and the Benelux region, as well as other countries in Europe, Asia, and North America.

As a result of the current credit and liquidity crisis, it is expected that new funding is mostly raised in a collateralized format such as (tri) party repo's, covered bonds and other forms of collateralized funding.

Breakdown of Funding Currency

> 2007



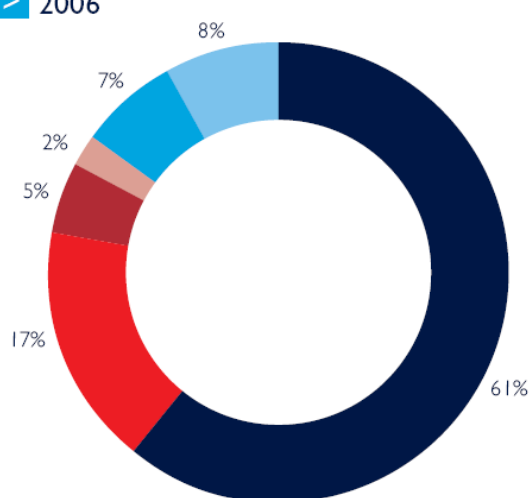
EUR

USD

JPY

CHF

> 2006

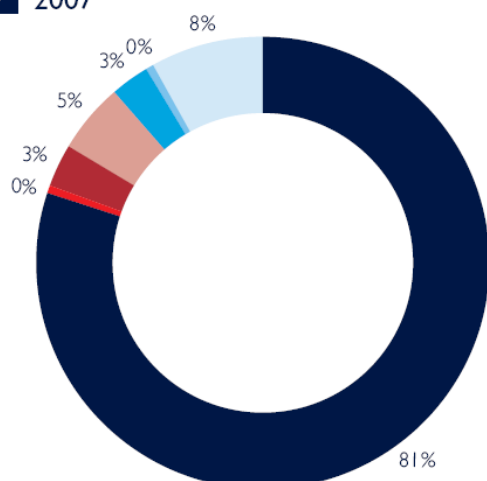


GBP

Other

Breakdown of Funding Character

> 2007



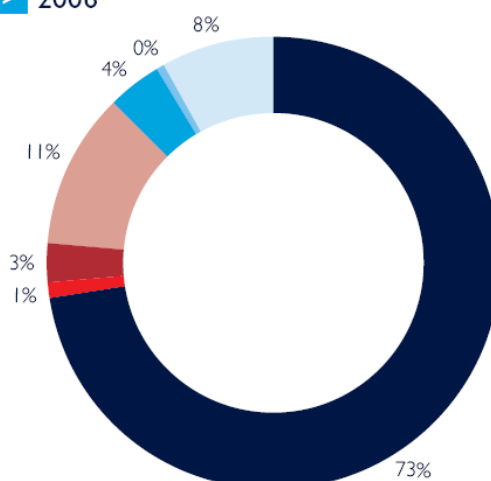
Plain Vanilla

Commodity Linked

Credit Linked

Equity Linked

> 2006

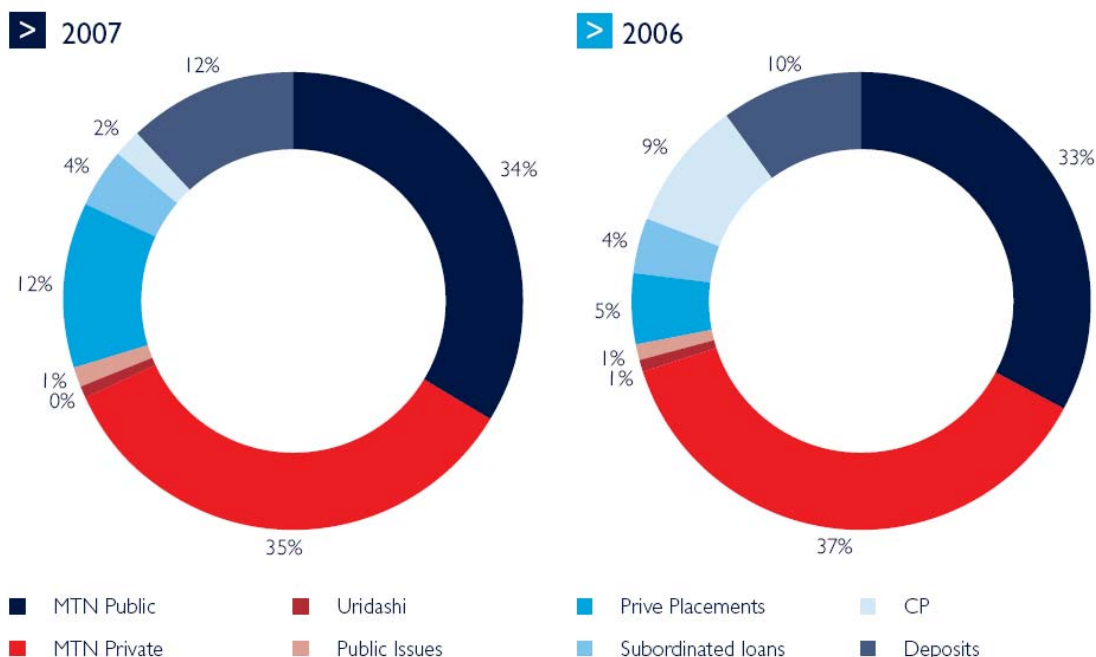


FX Linked

Inflation Linked

Interest Linked

Breakdown of Funding Paper



In order to maintain effective relations with our debt investors, we undertake regular institutional marketing exercises, maintain an investor relations database and keep close contact with the dealers under our funding programmes and other market participants. In this manner we seek to ensure our funding needs and targets are communicated clearly to the market. We believe this approach has provided us with good access to international debt capital markets in normal market circumstances in the past and has facilitated funding our operational needs at competitive cost levels.

In April 2008 NIBC Bank published an investor presentation detailing the bank's liquidity and asset positions. By means of liquidity scenarios NIBC demonstrates that it has a sound liquidity position for at least the three upcoming years. In both scenarios (a 'no new funding scenario' and a 'conservative business scenario') the bank shows a sound liquidity position. The published scenarios are very conservative and include the ECB funding capacity. Whether or not NIBC will use the ECB funding in the upcoming three years is very much dependent on the market developments, business activities and new funding initiatives.

Securitisation

Although securitising different asset classes is primarily a means of generating trading and fee income and transferring credit risk off our balance sheet, we also raise funding by securitisation. We can securitise certain asset classes from our balance sheet synthetically, by buying credit protection, or on a cash basis, by selling assets to an SPV, or by a combination of the two methods. The cash element of such securitisation transactions contributes to the funding of our assets.

Funding costs

NIBC Bank has credit ratings from Moody's, Standard & Poor's and Fitch. The following table shows our senior unsecured long-term credit ratings from each of the rating agencies:

Moody's	Baa1	Outlook: Stable
Standard & Poor's	BBB+	Outlook: Stable
Fitch	A-	Outlook: Negative

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agencies at any time.

Our average funding costs are expected to increase in the coming year, partly due to our lower ratings and partly due to general market developments. Although the impact of higher funding costs on our net interest income has been relatively small to date, the outstanding funding raised prior to the downgrades (as well as prior to the current credit and liquidity crisis) are lower-cost than those raised since. As our older funding matures, it will be gradually replaced by more expensive funding. As a result, we expect that the impact of higher funding costs on our net interest income will increase in the coming years as most of the older (and therefore lower-cost) funding is gradually replaced. This will be (partly) mitigated by increased credit spreads on our new assets, as result of the re-pricing that takes place due to the current credit and liquidity crisis.

Cash Flow

The tables below present our cash flows during the periods presented.

Cash flow data - IFRS

	As at 31 December		
	2007	2006	2005
		(€millions)	
Cash flows from operating activities	2,709	897	737
Cash flows from investing activities	(3)	11	64
Cash flows from financing activities	(707)	(880)	23
Net increase in cash and cash equivalents	1,999	28	824

Cash flows from operating activities

Total cash flow from operating activities was €2,709 million in the twelve months ended 31 December 2007, compared to €897 million in the twelve months ended 31 December 2006 and €737 million in the twelve months ended 31 December 2005. The large cash inflow in 2007 from operating activities was primarily related to the de-risking of our debt securities portfolios.

Cash flows from investing activities

Total cash flow from investing activities was €(3) million in the twelve months ended 31 December 2007 compared to €11 million in the twelve months ended 31 December 2006 and €64 million in the twelve months ended 31 December 2005. The change in the period under review was primarily attributable to cash inflows related to disposals of associates.

Cash flows from financing activities

Total cash flow from financing activities was €(707) million in the twelve months ended 31 December 2007, compared to €(880) million in the twelve months ended 31 December 2006 and €23 million in the twelve months ended 31 December 2005. The development in 2007 and 2006 is mainly related to a decrease in debt securities in issue (structured).

Working Capital

Our banking activities are subject to specific solvency and liquidity requirements, compliance with which is supervised by the Dutch Central Bank. See "Regulation, Compliance

and Internal Audit – Regulation – The Netherlands – Financial Supervision Act – Supervision by the Dutch Central Bank." Our banking activities are in compliance with these requirements. We seek to always maintain a comfortable liquidity and funding profile. We carry out weekly short-term liquidity forecasts and analyses, monthly long-term business-as-usual analyses and monthly liquidity stress test analyses, and present them to the Asset and Liability Committee to create continuous monitoring of the liquidity position. On this basis, we are of the opinion that for at least the next 12 months from the date of this Prospectus the working capital available for all our activities is sufficient.

Current Trading and Prospects

We believe we are in a position to take advantage of prevailing market conditions and develop our business in line with our stated strategy. We will continue to seek to diversify income sources and grow fee income while maintaining the net interest income level above operating expenses. We are also committed to an efficiency ratio below 40% and a further increase in return on net asset value in the coming years. We will seek to maintain the Tier-1 ratio at a solid level. As a leading merchant bank focused on the mid-cap segment in Western Europe, we sees multiple opportunities for further growth.

RISK MANAGEMENT

We consider professional risk management to be a core skill for us. All staff is responsible for 'intelligent' risk management and we consider the pro-active involvement of risk management officers in our commercial activities to be absolutely vital. We seek to balance risk and return in order to maintain a moderate and calculated risk profile. A detailed description of our risk management is included in the 'Risk management' section on pages 41 through 130 of our annual report 2007, which section is incorporated by reference into this Prospectus.

REGULATION, COMPLIANCE AND INTERNAL AUDIT

Regulation

Introduction

Our businesses, as well as the financial services industry generally, are subject to extensive regulation. This section contains a summary of the supervisory and regulatory environment in which we operate and is not intended as an exhaustive discussion of such supervisory and regulatory environment. In addition, the laws, rules and regulations comprising the supervisory and regulatory environment in which we operate, and the interpretation and enforcement of existing laws, rules and regulations, are constantly changing. Such changes, and the effect they have on our operations and revenues, cannot be predicted.

The Netherlands

The activities of our wholly-owned subsidiary NIBC Bank are subject to supervision by the Dutch Central Bank and the AFM, the two Dutch supervisory authorities for the financial services industry. The Dutch Central Bank is the regulator responsible for the prudential supervision of banks. Prudential matters include the financial condition of banks, the expertise and trustworthiness of their senior management, and their internal organisation. The Dutch Central Bank is also responsible for the supervision of the financial condition of investment firms.

The AFM is responsible for the supervision and enforcement of conduct of business rules that apply to banks and investment firms. These include rules governing the proper treatment of clients and orderly and transparent market conduct. The AFM is also responsible for the supervision of the internal organisation and operation of investment firms and banks offering investment services, and the assessment of the expertise and trustworthiness of senior management of the investment firm.

Our wholly-owned subsidiary NIBC Private Investment Management N.V. ("**PIM**") is authorised to offer asset management services on the basis of a licence granted by the AFM. As a licensed investment firm (*beleggingsonderneming*), PIM is subject to prudential and conduct of business supervision by the Dutch Central Bank and the AFM, respectively.

The supervision by the Dutch Central Bank and the AFM of the activities of NIBC Bank and PIM are mainly exercised pursuant to the Financial Supervision Act. The Financial Supervision Act also contains provisions governing the cooperation between the AFM and the Dutch Central Bank in relation to the joint supervision of banks and investment firms.

Financial Supervision Act – Supervision by the Dutch Central Bank

General

NIBC Bank is authorised to operate as a bank under the Financial Supervision Act on the basis of a license granted by the Dutch Central Bank. This license also allows NIBC Bank. to provide investment services such as asset management and securities brokerage.

As a licensed bank, NIBC Bank is subject to ongoing obligations, including obligations relating to (i) capital requirements, (ii) the requirement to obtain a 'declaration of no-objection' (*verklaring van geen bezwaar*) prior to engaging in certain acquisitions or divestments, or effecting certain other material transactions, and (iii) requirements in relation to the organisation and operation of the bank. In addition, a special insolvency regime applies to banks such as NIBC Bank.

PIM is authorised to operate as an investment firm and to provide the services set out in its licence. Investment firms are mainly supervised by the AFM. However, certain supervisory measures taken by the AFM require the input of the Dutch Central Bank. In addition, the Dutch

Central Bank is responsible for the supervision of capital adequacy requirements applicable to investment firms.

Capital requirements – NIBC Bank

Licensed banks must comply with detailed minimum capital requirements. These minimum capital requirements relate to the minimum amount of own funds a bank must maintain (solvency requirements). In addition, banks must maintain sufficient liquid assets in relation to the bank's liabilities (liquidity requirements). The detailed requirements are set out in regulations that have been issued by the Dutch Central Bank pursuant to the Financial Supervision Act. NIBC Bank must regularly report to the Dutch Central Bank on its compliance with these minimum capital requirements. Additional requirements apply under both the liquidity and solvency regulations in respect of large exposures to one debtor or a group of related debtors and in respect of particular classes of assets.

The solvency regulations of the Dutch Central Bank are derived from the capital measurement guidelines of Basel II. The Basel Committee developed international capital adequacy guidelines based on the relationship between a bank's capital and its credit risks. The intention of the previous capital measurement guidelines, Basel I, was to strengthen the soundness and stability of the international banking system and to reduce competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks by establishing a uniform target capital base ratio. Basel I was recently replaced by Basel II, which was endorsed by the Basel Committee on 26 June 2004 and sets out the details for more risk-sensitive minimum capital requirements for banks in comparison to Basel I. Basel II intends to increase consumer protection, reinforce financial stability and promote the competitiveness of the European financial sector

The Basel II framework, consisting of three 'pillars', reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital ("**Pillar 1**") and for supervisors to review such assessments to ensure banks have adequate capital to support their risks ("**Pillar 2**"). It also seeks to strengthen market discipline by enhancing transparency in banks' financial reporting ("**Pillar 3**").

Basel II provides a range of options for determining the capital requirements for credit risk and operational risk. In comparison to Basel I, Pillar 1 of the Basel II capital framework aligns the minimum capital requirements more closely to each bank's actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks' internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgement and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks' public reporting.

Instead of the previous 'one size fits all' approach, under Basel II banks have the option to choose between various approaches, each with a different level of sophistication in risk management, ranging from 'Standardised' to 'Advanced', giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the 'Standardised', the 'Foundation Internal Ratings Based' and the 'Advanced Internal Ratings Based' approach. The Standardised approach is based on external credit ratings and is the least complex. The two Internal Ratings Based approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based approach allows banks to use their own credit rating systems with respect to the 'Probability of Default'. In addition to this component of credit risk, the Advanced Internal Ratings Based approach allows banks to use their own credit rating systems with respect to the 'Exposure at Default' and the 'Loss Given Default'. We applied and qualified for

the 'Advanced Internal Rating Based' approach under Basel II when reporting the credit risk element of our regulatory capital.

For operational risk, banks can choose between the 'Basic Indicator', the 'Standardised' and the 'Advanced Measurement' approaches as further specified in Basel II. In the Basic Indicator approach only one indicator is used: the total gross income of the bank. In the Standardised approach gross income per business line is used to calculate the capital requirements, thereby creating more differentiation. The Advanced Measurement approach is again more refined as it uses scorecards, expert judgement and models to determine operational risk capital per business line. For measuring operational risk, we have initially adopted the Standardised approach. Ultimately we intend to implement the Advanced Measurement approach once we have gathered sufficient loss and event data.

The Dutch Central Bank's liquidity regulations require NIBC Bank to determine the amount of funds required from time to time in order to satisfy repayment obligations, and therefore to closely monitor when it must make payments and when it expects to receive payments.

Capital requirements – PIM

Licensed investment firms are also subject to minimum capital requirements. The minimum amount of capital required depends on the activities the investment firm undertakes. In addition, investment firms must comply with solvency requirements that are similar to the solvency requirements applicable to banks.

Declarations of no-objection

The Financial Supervision Act requires that a bank must obtain a declaration of no-objection from the Dutch Central Bank or the Dutch Minister of Finance prior to the acquisition or the increase of a 'qualified holding' (*gekwalificeerde deelneming*) in another entity (subject to a threshold relating to the size of the other entity or the qualified holding). A qualified holding is defined as the direct or indirect ownership of 10% or more of the issued share capital, the ability to exercise, directly or indirectly, more than 10% of the voting rights, or the ability to exercise a comparable degree of control over another entity.

Other kinds of transactions or resolutions for which a declaration of no-objection is required include (i) the repayment of capital or distribution of reserves, (ii) acquiring all or a substantial part of the assets of another entity (subject to a threshold relating to the amount paid for the assets), (iii) entering into a legal merger (subject to a threshold relating to the size of the other entity), and (iv) effecting a financial or legal restructuring.

A declaration of no-objection must also be obtained by each person holding or increasing a qualified holding in a bank or in an investment firm. This requirement also applies to us, as the holding company of NIBC Bank and PIM, and to our shareholders to the extent they own or exercise, directly or indirectly, more than 10% of our shares or voting rights, respectively, and, as a result, indirectly more than 10% of NIBC Bank and PIM. For more information on the rules on qualified holdings, see "Description of Share Capital and Corporate Governance – Qualified Holding Within the Meaning of the Financial Supervision Act."

Organisation and risk management

The Financial Supervision Act and the rules promulgated there under contain requirements in relation to the safe and sound management and operation of banks. The requirements relate to the organisational structure of banks and the allocation of responsibilities, the use of information technology, data processing, outsourcing, internal and external audits, and the analysis and management of financial, integrity and other risks.

Insolvency regime

In the event of a bank experiencing financial difficulties, the Dutch Central Bank can request the court to order the application of the 'emergency regulation' (*noodregeling*) laid down in the Financial Supervision Act. The emergency regulation involves the appointment of an administrator by the court, and a freeze of the bank's assets. A bank can also be declared bankrupt. The Dutch Bankruptcy Code (*Faillissementswet*) contains a special regime for the bankruptcy of banks.

Financial Supervision Act – Supervision by the AFM

Investment services

The Financial Supervision Act also contains a licence requirement and ongoing obligations for investment firms. Activities for which a licence is required include securities brokerage (which includes securities underwriting and market making activities) and asset management. Many of the provisions of the Financial Supervision Act relating to investment services constitute transpositions of several EU directives in the securities field, including the Markets in Financial Instruments Directive (2004/39/EC) ("**MiFID**"), directives governing the capital adequacy of securities firms, the Market Abuse Directive (2003/6/EC) and the Prospectus Directive.

Investment firms offering investment services covered by the Financial Supervision Act, such as NIBC Bank and PIM, are in principle required to be licensed unless exempt. This requirement to obtain a license does not apply to NIBC Bank as its bank licence also covers investment services. NIBC Bank must, however, comply with certain ongoing obligations applicable to investment firms. These ongoing requirements include general conduct of business rules, obligations in relation to transaction reporting and other information obligations, the obligation to manage and disclose conflicts of interest, requirements regarding marketing, Chinese Walls, know-your-customer standards, cost transparency, form and content of client agreements, integrity and 'best execution' obligations. The 'best execution' rule required regulated firms to take all reasonable steps to obtain the best possible transaction conditions for their clients. Investment firms are (with some exceptions) also required to conduct a suitability test on clients when providing investment advice or portfolio management. Certain provisions of the Financial Supervision Act do not apply when rendering services to professional investors or eligible counterparties.

Over the course of 2007, up to the deadline for implementation of MiFID-related measures within the organisation on 1 November 2007, a complete review of all our activities was undertaken in order to ensure full compliance with the new regulations. In addition to our own review, we invited external experts to provide a second opinion on the implementing measures. Upon completion of the project and with endorsement by external experts, we were deemed MiFID compliant. Various operating procedures, internal manuals and business activities had been revised and internal training exercises completed in order to ensure that this level of compliance will continue to be maintained.

Retail credit business

We provide mortgage loans in relation to residential real estate. We engage in this activity through insurance companies, high street mortgage brokers and mortgage packagers. This business, subjects us to a number of specific provisions of the Financial Supervision Act. The Financial Supervision Act contains a licensing obligation for providers of 'financial products' (*financiële producten*) and for the intermediaries such providers use to market their products. Financial products covered by the Financial Supervision Act include loans (including mortgage loans), insurance policies, bank and savings accounts, and financial instruments. Providers of financial products may only engage intermediaries if such intermediaries are properly licensed and registered

under the Financial Supervision Act. These provisions of the Financial Supervision Act only apply with respect to loans when granting loans to consumers.

NIBC Bank is authorised to engage in the retail credit business under its banking license. It must, however, comply with the ongoing obligations set out in the Financial Supervision Act. Consequently, NIBC Bank must comply with minimum standards of care when rendering its services. This duty of care includes the requirement to investigate the client's financial position and assess the client's borrowing capacity prior to entering into a credit agreement in order to avoid excessive credit exposure of such client. In addition, the Dutch Financial Supervision Act contains strict and detailed requirements on the information that must be provided prior to and after the sale of a financial product, including mandatory disclosures on risks, costs, arrangements with intermediaries and other matters.

Our retail business is limited to extending residential mortgages, which we sell exclusively through licensed distribution partners, and the servicing of portfolios of residential mortgages. We conduct this business through NIBC Bank and 25 specialist entities that are all direct or indirect subsidiaries of NIBC Bank. The specialist entities are not individually licensed. Instead, they are authorised as 'associated entities' (*aangesloten instellingen*) within the meaning of the Financial Supervision Act, and they rely on the license of NIBC Bank. For regulatory purposes, acts of the associated entity are deemed to constitute acts of NIBC Bank, and can be enforced as such.

Retail deposit business

We are looking into various opportunities to enter the market for taking consumer deposits. Under the same authorisation as that enabling NIBC Bank to offer mortgage loans to consumers, NIBC Bank may take retail deposits. At present no concrete steps have been taken in this market segment, although it does offer real opportunities for funding diversification. One opportunity that looks promising at this time is the internet savings channel.

Integrity

The Financial Supervision Act and the rules promulgated there under also provide for requirements intended to safeguard the integrity of banks and investment firms and their operations. These requirements include procedures that must be followed when hiring new staff, restrictions on private investment transactions by insiders and other staff and the obligation to maintain Chinese walls and to disclose possible conflicts of interest. In addition, banks and investment firms are required to identify all of their clients pursuant to the Identification Act (*Wet identificatie bij dienstverlening*), and to report money laundering or other suspicious financial transactions under the Act on the Reporting of Unusual Transactions (*Wet melding ongebruikelijke transacties*). A legislative proposal is pending to implement the Third Anti-Money Laundering Directive (2005/60/EC) in the Identification Act and the Act on the Reposting of Unusual Transactions and, subsequently, to replace these acts by a single act, the Act on the Prevention of Money Laundering and Terrorist Financing (*Wet ter voorkoming van witwassen en financieren van terrorisme*). The legislative proposal contains, amongst other things, more stringent customer due diligence obligations, including the obligation to identify the ultimate beneficiary of a transaction or a client. Impact on this legislative proposal is expected to be limited in view of absence of current/securities accounts or broker activities.

Organisation and risk management of investment firms

The Financial Supervision Act and the rules promulgated there under contain requirements in relation to the safe and sound management and operation of investment firms and banks offering investment services. The requirements relate to, *inter alia*, the organisational structure of investment service providers, information technology, transaction registration and reporting, order execution, outsourcing, and the analysis and management of financial, integrity and other risks.

Enforcement

Both the AFM and the Dutch Central Bank have far reaching investigative and enforcement powers. Enforcement measures include (i) imposing fines, (ii) issuing a cease and desist order under penalty (*last onder dwangsom*), (iii) making public certain information, such as underlying facts and circumstances and the name and address of the offending entity, related to the imposed fine or issued cease and desist order, (iv) issuing a formal direction (*aanwijzing*) to remedy a violation, and (v) issuing a public warning in respect of a bank or any of the services it offers. In the last resort, the AFM and the Dutch Central Bank can decide to revoke a license. In addition, failure to observe the laws, rules and regulations comprising the supervisory and regulatory environment in which we operate may result in reputational damage to us, as well as criminal prosecution.

United Kingdom, Belgium and Germany

Our foreign branches in London, Brussels and Frankfurt are authorised to operate in the United Kingdom, Belgium and Germany, respectively, by way of an EEA-passport under the Banking Consolidation Directive (2000/12/EC). This means that these branches carry on their banking activities in the respective countries on the basis of NIBC Bank's license and a notification by the Dutch Central Bank as provided for under the Banking Consolidation Directive.

The primary responsibility for the supervision of the adherence to (Dutch and foreign) prudential regulation of the branch offices (such as minimum regulatory capital requirements and large exposures) lies with the Dutch Central Bank. It will cooperate on certain matters with the relevant local regulatory authorities. The branch offices must comply with the national regulatory framework on the conduct of business and (depending on the business scope) on regulatory reporting of the respective countries in which they operate and are supervised by the relevant regulatory authority of the respective country.

Our London branch is registered with, and regulated by, the Financial Services Authority of the United Kingdom (www.fsa.gov.uk). Our Brussels branch is registered with, and regulated by, the Banking, Finance and Insurance Commission of Belgium (www.cbfa.be). Our Frankfurt branch is registered with, and regulated by, the Federal Financial Supervisory Authority of Germany (www.bafin.de) and the Bundesbank (www.bundesbank.de). All branches are registered in, and operate under, the name NIBC Bank.

United States

Our U.S. subsidiary NIBC Credit Management, Inc. is licensed by the U.S. Securities and Exchange Commission (the "SEC") as an investment adviser and regulated under the U.S. Investment Advisers Act of 1940, as amended (the "**Investment Advisers Act**"). The U.S. Investment Advisers Act imposes substantive regulation on virtually all aspects of a financial institution's advisory business and relationship with clients. Among other areas, applicable provisions regulate fiduciary duties to clients, engaging in transactions with clients, maintaining an effective compliance programme, performance fees, solicitation arrangements, conflicts of interest, advertising, and recordkeeping, reporting and disclosure requirements. The Investment Advisers Act regulates the 'assignment' of advisory contracts by the adviser. The SEC is authorised to institute proceedings and impose sanctions for violations of the Investment Advisers Act ranging from fines and censures to termination of an investment adviser's registration.

Singapore

NIBC Bank Ltd. is our Singapore subsidiary. It is operating as a merchant bank by virtue of the approval granted by the Monetary Authority of Singapore (the “**MAS**”) in exercise of its powers under the Monetary Authority of Singapore Act, Chapter 186 (the “**MAS Act**”). As with all other merchant banks in Singapore, its policies and actions are governed by the MAS Act and the notices, guidelines and directives issued by MAS. In addition, NIBC Bank Ltd. is subject to applicable provisions of Banking Act, Chapter 19 (the “**Banking Act**”). The MAS Act and the Banking Act impose a broad range of ongoing compliance requirements on NIBC Bank Ltd. These include capital and financial reporting requirements, limits on credit facilities that can be granted, banking secrecy obligations, limits on permitted investments, and audit and disclosure requirements.

Separately, to the extent that NIBC Bank Ltd. carries on any activity that is regulated under the Singaporean Securities and Futures Act, Chapter 289 (the “**SFA**”) or under the Financial Advisers Act, Chapter 110 (the “**FAA**”), NIBC Bank Ltd. must comply with additional compliance requirements under the SFA, the FAA and the respective regulations, guidelines and notices promulgated there under by the MAS.

The MAS has wide powers under the MAS Act, the Banking Act, the SFA and the FAA to take action in relation to the business of NIBC Bank Ltd. for breach of the notices, guidelines or directives issued there under by the MAS, or if the MAS otherwise deems it necessary. This includes assuming control of and carrying on the business of NIBC Bank Ltd. In the event that it is unable or unlikely to meet its obligations in relation to its business and affairs in Singapore. Breaches of the MAS Act, Banking Act, SFA and FAA could also result in prosecution and imposition by the court of the penalties prescribed under these Acts.

Group Compliance and Internal Audit

Introduction

Our Group Compliance and Internal Audit departments form part of our Corporate Center SBU. The heads of both departments attend the meetings of the Operating Risk Committee and meet on a regular basis with the Audit and Compliance Committee of our Supervisory Board.

Group Compliance

Group Compliance operates from our head office in The Netherlands and manages and coordinates compliance matters with our compliance officers in the other countries in which we operate. Both Group Compliance and our compliance officers outside The Netherlands have an independent position within our organisation. In line with this independent position and in order to secure its confidential operation, the head of Group Compliance has direct reporting lines to our Chief Risk Officer, our General Counsel and the Audit and Compliance Committee of our Supervisory Board.

The primary role of Group Compliance and the compliance officers outside The Netherlands is to monitor our business conduct and the integrity of our operations. In that role, they function as an independent and objective body that reviews and evaluates compliance matters within our organisation. Their independent position is aimed at ensuring that our senior management and other employees are in compliance with the rules and regulations applicable to our business, that our internal policies and procedures are followed and are up-to-date, and that our business conduct meets the required standards.

Furthermore, Group Compliance and the compliance officers outside The Netherlands provide and arrange for guidance, training and education for all personnel on matters relating to our business conduct and the integrity of our operations, and coordinate contacts with the relevant regulatory authorities on compliance matters.

Internal Audit

Internal Audit operates from our head office in The Netherlands. Internal Audit's primary task is to perform independent internal operational audits within our organisation and to give objective assurance and advice designed to add value and improve the control of our business operations. In that role, Internal Audit uses a systematic, disciplined risk-based approach in evaluating and improving the effectiveness of risk management and control systems as well as the reliability of relevant management information.

Internal Audit's primary focus is on operational audits, including IT audits, project audits and special investigations. It also coordinates contacts with the Dutch Central Bank.

The independent position of Internal Audit is secured through its direct reporting line to our Chief Executive Officer which is supplemented with a secondary reporting line to our Chief Financial Officer. In addition, Internal Audit reports its main findings to the Audit and Compliance Committee of our Supervisory Board on a quarterly basis. The head of Internal Audit can report directly to the Chairman of the Audit and Compliance Committee of our Supervisory Board.

MANAGEMENT AND SUPERVISORY BOARD

General

Set out below is a summary of certain relevant information concerning our Managing Board, Supervisory Board and certain members of our senior management, as well as a brief summary of certain significant provisions of Dutch corporate law in force on the date of this Prospectus and our Articles of Association related to our Managing Board and Supervisory Board.

For a description of the management structure of our subsidiary NIBC Bank which has a managing and supervisory board with a composition and powers tailored to ours, see "Description of Share Capital and Corporate Governance – Large Company Regime in The Netherlands."

Management Structure

We have a two-tier board structure consisting of our Managing Board (*raad van bestuur*) and our Supervisory Board (*raad van commissarissen*).

Managing Board - Powers, composition and function

General

Our Managing Board is responsible for the day-to-day management of our operations under the supervision of our Supervisory Board. Our Managing Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its approval (See " – Supervisory Board").

Our Managing Board may perform all acts necessary or useful for achieving our corporate purpose, save for those acts that are prohibited by law or by our Articles of Association. Our Managing Board as a whole is authorised to represent us, as are any two members of our Managing Board acting jointly, or one member of our Managing Board acting jointly with one holder of a power of attorney, or two holders of a power of attorney acting jointly, as far as holders of a power of attorney are concerned, with due observance of the powers granted to them. Our Managing Board may grant a power of attorney to one or more persons, whether or not employed by us.

A member of our Managing Board must immediately report any conflict of interest or potential conflict of interest that may be of material significance to us and/or to him, to the Chairman of our Supervisory Board and to the other members of our Managing Board. Such member must provide all relevant information. The Chairman of our Supervisory Board will in principle decide whether there is a conflict of interest. A Managing Board member may not take part in any discussion or decision-making that involves a subject or transaction in relation to which he has a conflict of interest with us. Where a member of our Managing Board has a conflict of interest with us, we shall further be represented by other members of our Managing Board or by a member of our Supervisory Board to be designated by our Supervisory Board, unless our general meeting of shareholders ("**General Meeting of Shareholders**") designates one or more persons for that purpose.

Our Managing Board shall have at least two members, one of whom our Supervisory Board shall appoint as Chairman of our Managing Board and one of whom it shall appoint as Vice-Chairman of our Managing Board.

Meetings and decision making

All resolutions of our Managing Board shall be adopted by an absolute majority of votes cast in a meeting. If there is a tie, the Chairman shall have the casting vote, and if used, he shall immediately inform our Supervisory Board thereof. Our Managing Board is further assisted by a

corporate secretary. The corporate secretary may be a member of our Managing Board and is appointed by our Managing Board. Our Managing Board has adopted rules which contain additional requirements for our decision-making process and contain details on the assignment of duties.

Under our Articles of Association, the following resolutions of our Managing Board require the approval of our Supervisory Board:

- the issue and acquisition of ordinary shares in us and debt instruments payable by us or by a limited partnership or a general partnership of which we are a fully liable partner;
- the co-operation in the issue of registered depositary receipts for our ordinary shares;
- the application for admission to trading or cancellation thereof, of our ordinary shares and debt instruments payable by us or for which we are fully liable, on any regulated market or multilateral trading facility;
- the commencement or termination of a long-term co-operation by us or a dependent company (*afhankelijke maatschappij*) with another legal person or company or as fully liable partner in a limited partnership or a general partnership, if such co-operation or termination is of far-reaching significance to us;
- the acquisition of a participating interest in the capital of another company with a value of at least one fourth of the amount of our issued share capital together with our reserves according to our balance sheet with explanatory notes, by us or a dependent company (as described in the Articles of Association), as well as the substantial increase or decrease of such participation interest;
- investments which require an amount equal to at least one fourth of the amount of our issued share capital together with our reserves according to the our balance sheet with explanatory notes;
- a proposal to amend our Articles of Association;
- a proposal for our dissolution;
- the filing of a petition for liquidation and an application for a suspension of payments or bankruptcy;
- the termination of the employment contracts of a substantial number of our employees or those of a dependent company, simultaneously or within a short period of time;
- a substantial change in the employment conditions of a substantial number of our employees or of those of a dependent company;
- a proposal to reduce our issued share capital;
- the restriction or exclusion of pre-emption rights on our ordinary shares;
- regarding the entering into of legal acts within the meaning of section 2:94 of the Dutch Civil Code, being legal acts involving the subscription for our ordinary shares while imposing special obligations on us, involving the acquisition of our ordinary shares on a different basis than is available to the public, purporting to confer an advantage on New NIBC Luxembourg, S.à.r.l SICAR ("**New NIBC Luxembourg**"), our founding entity and a company organised under the laws of Luxembourg, or on a third person involved with the incorporation, or involving a non-cash contribution on our ordinary shares.
- the acceptance of positions by members of the Managing Board as managing director, supervisory director or advisor with a company or with an enterprise in which we have a direct or indirect interest;

- changing substantially the strategy of our enterprise;
- changing substantially our identity or nature;
- to adopt any new material business plan or budget for our group or any amendments to any such existing business plan or budget adopted by us or any expenditure exceeding budget;
- to make any capital expenditures in excess of five million euro, unless such expenditures are specifically contemplated in the relevant annual budget adopted by us;
- the entering into agreements of any kind by us or any of our subsidiaries with a person who holds the majority of our issued and outstanding share capital or of the voting powers at our general meeting of shareholders or otherwise directs our activities, or any person affiliated with any such person.

Furthermore, resolutions of the Managing Board to substantially change our identity or nature or enterprise will be subject to the approval of the General Meeting of Shareholders. Such resolutions shall include, without limitation, resolutions:

- to transfer our enterprise or the enterprise of such subsidiaries that are determined by the General Meeting of Shareholders from time to time, or almost our entire enterprise or that of such subsidiary to a third party;
- to enter into or terminate a co-operation of us or a subsidiary with another legal person or company or as fully liable partner in a limited partnership or a general partnership;
- to acquire or alienate a participating interest in the capital of a company with a value of at least one/fifth of our equity according to the consolidated balance sheet with explanatory notes according to the our last-adopted annual accounts, by us or a subsidiary;
- to change substantially the strategy of the enterprise of our group (including the adoption of the long-term plan drawn up by the Managing Board as well as a substantial change of the long-term plan. The period covered by the long-term plan shall be fixed with the consent of the General Meeting of Shareholders);
- to apply for a listing or for cancellation of a listing of shares, depositary receipts, or certain debt instruments;
- to petition or commence a petition for liquidation (and to apply for a suspension of payments or bankruptcy);
- to grant any guarantees over indebtedness of a subsidiary or any third party, other than in our ordinary course of business;
- to commence or settle any material legal or arbitration proceedings in any jurisdiction in relation to our group, other than the collection of receivables, the taking of urgent legal measures of a protective or other nature and the representation of us in summary proceedings;
- to make, grant or allow any claim, disclaimer, surrender, election or consent for taxation purposes which could be expected to have an effect on the taxation liability of our shareholders or their respective beneficial owners;
- resolutions of the Managing Board regarding the exercise of voting rights attaching to shares in our subsidiary NIBC Bank, to the extent the exercise of voting rights concerns (i) the approval by the general meeting of shareholders of NIBC Bank of resolutions its managing board to substantially change the identity, nature or enterprise of NIBC Bank or (ii) an amendment to the articles of association of NIBC Bank concerning (approval of) such resolutions of the managing board to substantially change the identity, nature or enterprise of NIBC Bank.

Appointment, dismissal and suspension

Members of our Managing Board are appointed and dismissed by our Supervisory Board. No member of our Managing Board shall be appointed or dismissed by our Supervisory Board until it has enabled our General Meeting of Shareholders to render advice on the matter. Our Supervisory Board may also temporarily suspend members of our Managing Board. Any suspension may be extended, within 60 days after commencement, one time but may not last longer than 120 days in the aggregate. If no timely decision has been taken on termination of the suspension, or on dismissal, the suspension shall cease.

In accordance with the Dutch Corporate Governance Code (*Code Tabaksblat*, the "**Code**") all members of our Managing Board have been appointed for a period of four years, except for Mr. Van Dijkhuizen whose appointment has been renewed for a period of three years as from 20 March 2007. A retiring member of our Managing Board can be re-appointed immediately for a term of not more than four years at a time. See "Description of Share Capital and Corporate Governance – Dutch Corporate Governance Code."

Members of our Managing Board

Our Managing Board is currently composed of the following four members, who are also members of the managing board of NIBC Bank and NIBC Investment Management N.V. The following table shows the current members of our Managing Board.

Name	Age	Position	Membership	
			Since	End of Term
J.P. Drost.....	47	Chairman and Chief Executive Officer	2008	2012
J. Sijbrand.....	54	Chief Risk Officer	2008	2012
C. van Dijkhuizen	52	Chief Financial Officer	2006	2010
J.L. van Nieuwenhuizen	47	Member	2005	2011

The business address of all members of our Managing Board is Carnegieplein 4, 2517 KJ, The Hague, The Netherlands.

J.P. Drost – Member of our Managing Board and Chief Executive Officer

Mr. Drost holds a degree in Business Economics and Dutch law from the Erasmus University of Rotterdam.

From 1986 to 2008, he held several positions at ABN AMRO Bank. He has extensive experience in investment banking in the Netherlands, London, Central & Eastern Europe and Asia. His latest position was Chief Executive Officer Asia, which spans over 17 countries.

Mr. Drost joined our Managing Board in June 2008 as Chief Executive Officer.

J. Sijbrand – Member of our Managing Board and Chief Risk Officer

Mr. Sijbrand holds a PhD in Mathematics from the University of Utrecht.

He has extensive experience in both trading and risk management gained during his career as from 1981 with Shell, Rabobank and, lastly ABN AMRO Bank. At ABN AMRO Bank he has been responsible, inter alia, for all market-credit and operational risk in the Bank and was, in that capacity, co-chair of the Group Risk Committee.

Mr. Sijbrand joined our Managing Board in March 2008 as Chief Risk Officer and he is responsible for risk management and our foreign offices.

C. van Dijkhuizen - Member of our Managing Board and Chief Financial Officer

Mr. Van Dijkhuizen holds a degree in Economics from the Free University of Amsterdam. From 1981 to 2005, he held several positions at the Dutch Ministries of Finance and Economic Affairs, including that of director general of the budget. From 2000 to 2005, he was treasurer general of The Netherlands.

Mr. Van Dijkhuizen joined our Managing Board in March 2006 as Chief Financial Officer and is head of our Corporate Center SBU.

J.L. van Nieuwenhuizen - Member of our Managing Board

Mr. Van Nieuwenhuizen studied Law at Leiden University, and holds a degree in Economics from Fribourg University in Switzerland. From 1986 to 1992, he held positions in corporate finance and capital markets at JPMorgan in Amsterdam and London. In 1992, Mr. Van Nieuwenhuizen joined Morgan Stanley International in London, where he held positions in capital markets and investment banking and was elected managing director in 1997. From 1999 until 2002, he was co-head Investment Banking Germany and a member of the managing board of Morgan Stanley Bank AG in Frankfurt. Mr. Van Nieuwenhuizen joined NIBC N.V. in 2002 as managing director and head of our Corporate Finance SBU. He is a (non-executive) member of the investment committee of NIBC Merchant Banking Fund 1B and a member of the investment committee of NIBC European Infrastructure Partners B.V.

Mr. Van Nieuwenhuizen joined the managing board of NIBC N.V. in 2004 and became a member of our Managing Board upon our incorporation immediately preceding the Consortium Acquisition.

Supervisory Board

Powers, composition and function

General

Our Supervisory Board is responsible for supervising the conduct of and providing advice to our Managing Board and for supervising our business generally. In performing its duties, our Supervisory Board is required to act in the interests of our business as a whole. The members of our Supervisory Board are not authorised to represent us in dealings with third parties. Our Supervisory Board appoints from among its members a Chairman and one or more Vice-Chairman.

Our Articles of Association provide that our Supervisory Board will consist of at least three members, with the number of members of our Supervisory Board being determined by our Supervisory Board. The Chairman of our Supervisory Board shall be a member who is neither nominated by our General Meeting of Shareholders nor nominated by our Works Council. In addition, our Articles of Association provide that if there are less than three Supervisory Board members, our Supervisory Board shall remain an authorised corporate body and shall take measures to appoint new members without delay.

Appointment

The members of our Supervisory Board are principally appointed by our General Meeting of Shareholders, based on a nomination by our Supervisory Board. The nomination shall state the reasons for nominating the candidate, his age and his profession, as well as the number of ordinary shares he holds in us and his current and previous positions insofar as these are relevant to the performance of the duties of a member of our Supervisory Board. It shall also state his other supervisory board positions. Our General Meeting of Shareholders may reject a nomination by an absolute majority of the votes cast representing at least one-third of our issued and outstanding capital. If less than one-third of our issued and outstanding share capital was represented at that meeting, a new meeting must be convened to vote on the nomination, at which the nomination can

be rejected by an absolute majority of the votes cast. If a nomination is rejected, the members of our Supervisory Board shall draw up a new list of candidates. If our General Meeting of Shareholders fails to appoint the person nominated and does not resolve to reject the nomination, our Supervisory Board may appoint the person nominated.

Our General Meeting of Shareholders (by an absolute majority) and our Works Council (subject to the limit described below) may recommend persons for appointment as Supervisory Board members. For this purpose our Supervisory Board shall inform our General Meeting of Shareholders and our Works Council in a timely manner as of when, as a result of what and in accordance with what profile a vacancy must be filled.

Our Supervisory Board is required to nominate a person recommended by our Works Council in respect of one-third of the members of our Supervisory Board. Our Supervisory Board may only reject such recommendation on the ground that it expects the person recommended to be unsuitable for performing the duties of a member of our Supervisory Board or that our Supervisory Board will not be properly constituted after an appointment in accordance with such recommendation. If our Supervisory Board objects to the recommendation on these grounds, it must without delay discuss the recommendation with our Works Council. If no agreement can be reached, a representative of our Supervisory Board shall request the Enterprise Chamber of the Court of Appeal of Amsterdam (the "**Enterprise Chamber**") to declare whether its objection is well founded. The request shall not be submitted until four weeks have passed since the start of the discussions with our Works Council. Our Supervisory Board shall nominate the person recommended by our Works Council if the Enterprise Chamber declares its objection unfounded. If the Enterprise Chamber declares the objection well-founded, our Works Council may make a new recommendation.

Pursuant to Dutch law, our General Meeting of Shareholders can transfer its right to recommend persons for the appointment as members of our Supervisory Board as described above to a committee of shareholders. This committee, the members of which are appointed by our General Meeting of Shareholders, can be established for a period of no more than two years. Our General Meeting of Shareholders may at all times rescind any transfer of these recommendation rights.

The current members of our Supervisory Board have been appointed for the term set out in the table below under "– Members of our Supervisory Board." Our Articles of Association provide that each member of our Supervisory Board will resign on the day of the first general meeting of shareholders held after the lapse of four years since his or her appointment. Each Supervisory Board member may be re-appointed for a maximum of three four-year terms provided that he or she continues to be eligible for the position of Supervisory Board member. Supervisory Board members retire in accordance with a rotation plan drawn up by our Supervisory Board.

Our Supervisory Board has prepared a profile for its size and composition, taking into consideration the nature of our business, our activities and the desired expertise and background of our Supervisory Board members. Our Supervisory Board discusses this profile with our General Meeting of Shareholders and our Works Council.

Dismissal

A member of our Supervisory Board can only be dismissed by the Enterprise Chamber, and then only for reasons of neglect of his or her duties, for other significant reasons or on account of a radical change of circumstances pursuant to which we cannot reasonably be required to retain such member on our Supervisory Board. A request to the Enterprise Chamber can be made by us (represented by our Supervisory Board), a representative of our General Meeting of Shareholders or our Works Council. A member of our Supervisory Board may be suspended by our Supervisory

Board, but the suspension will end if the procedure described in the preceding sentences is not initiated within one month of the suspension.

Our General Meeting of Shareholders can dismiss our Supervisory Board in its entirety for lack of confidence by an absolute majority of the votes cast representing at least one-third of our issued and outstanding share capital. Before adopting such resolution, our General Meeting of Shareholders must inform our Works Council at least thirty days before the date of the general meeting of shareholders. If our Works Council takes a position on the draft resolution, our Managing Board shall inform our Supervisory Board and General Meeting of Shareholders of such position. If less than one-third of our issued and outstanding share capital is represented at the meeting, no new meeting may be convened and our Supervisory Board may remain in function. If the entire Supervisory Board is dismissed, our Managing Board shall request the Enterprise Chamber to temporarily appoint one or more new members to our Supervisory Board.

Meetings

A meeting of our Supervisory Board may be convened whenever a Supervisory Board member or our Managing Board deems this necessary. Our Supervisory Board will hold at least six meetings per annum. Our Supervisory Board has adopted rules which further regulate its decision-making process and has further adopted a list of additional decisions of our Managing Board that require the prior approval of our Supervisory Board.

Our Supervisory Board is assisted by a corporate secretary, particularly with regard to the actual organisation of the affairs of our Supervisory Board. The corporate secretary is appointed by our Managing Board, subject to prior approval by our Supervisory Board.

Our Supervisory Board may only validly adopt resolutions with a simple majority of the votes cast in a meeting at which at least the majority of its members is present or represented, whereby members who have a conflict of interest shall not be taken into account when calculating this quorum. Members of our Supervisory Board who have a conflict of interest may also not participate in discussions or the decision-making process regarding the subject or transaction creating such conflict of interest. Each member of our Supervisory Board is entitled to one vote.

The remuneration of the members of our Supervisory Board is determined by our General Meeting of Shareholders.

Members of our Supervisory Board

Our Supervisory Board is currently composed of the following members, each of whom is also a member of the supervisory board of NIBC Bank.

Name	Age	Position	First appointment	End of Term
J.H.M. Lindenberg	64	Chairman	2005	2008
J.C. Flowers	50	Vice-Chairman	2005	2009
D. Rümker	71	Member	2005	2010
N.W. Hoek	51	Member	2005	2008
A. de Jong	53	Member	2005	2010
W.M. van den Goorbergh	60	Member	2005	2009
R.S. Sinha	43	Member	2005	2009
C.H. van Dalen	55	Member	2005	2008
A.H.A. Veenhof	62	Member	2005	2010

The business address of all members of our Supervisory Board is Carnegieplein 4, 2517 KJ The Hague, The Netherlands. Our Supervisory Board has prepared a rotation schedule to avoid that

all members resign at the same time.

Under Dutch law and our Articles of Association, our Supervisory Board nominates one-third of the members of our Supervisory Board to our General Meeting of Shareholders as per the recommendation of our Works Council. Currently, Messrs. Van Dalen, Van den Goorbergh and Veenhof have been appointed upon the recommendation of our Works Council. Two of the members of our Supervisory Board, Mr. J.C. Flowers and Mr. R.S. Sinha, are not 'independent' as such term is used in the Code.

J.H.M. Lindenberg - Chairman of our Supervisory Board

Mr. Lindenberg graduated from the Technical University of Delft with a Masters Degree in Physics and from the Erasmus University in Rotterdam, with a B.A. in Economics. After having worked one year for Philips Electrológica Nederland B.V. and, from 1972, holding various positions with ABN Bank N.V., the majority of Mr. Lindenberg's career has been with ING Groep N.V., where he started working in 1983. From 1987 until 1992, he was chairman of the International Division. In 1992 he became a member of the executive board of ING Bank N.V. In 1995 he became a member of the executive board of ING Groep N.V. and from 1995 until 1997 he was chairman and chief executive officer of ING Barings. In 2003, he retired from the executive board of ING Groep N.V. From May 2003 until June 2006, Mr. Lindenberg was a member of the supervisory board of Petroplus International N.V. (currently Petroplus International B.V.) and RIVR Acquisition B.V., the immediate holding company of Petroplus International B.V. From March 2003 until October 2006 he was a member of the supervisory board of Deutsche Börse AG, from October 2004 until 17 October 2007 of the board of Stichting Univar and from 2005 until 2006 of the supervisory board of TD Waterhouse Bank N.V. Currently, Mr. Lindenberg is chairman of the supervisory boards of N.V. Bank voor de Bouwnijverheid (since March 2004), Agendia B.V. (since September 2007), Centraal Fonds Volkshuisvesting (since August 2004) and Spyker Cars N.V. (since May 2004). He is a member of the supervisory boards of DHV Holding B.V. (since March 2003), Gamma Holding N.V. (since June 2003), Koninklijke Numico N.V. (since September 2003), Ortec International B.V. (since December 2003), Reggeborgh Vastgoed Beleggingen B.V. (since April 2004), the University of Amsterdam (since December 2004), Zeeman Groep B.V. (since December 2004) and Doctors Pension Fund Services B.V. (since January 2006). He is also a member of the boards of Stichting Preferente Aandelen Grolsch N.V. (since August 2003), Stichting Bescherming TNT (since March 2005), Stichting Vopak (since October 2004) and Stichting Preferente Aandelen Wolters Kluwer (since January 2006).

Mr. Lindenberg has functioned as a member (as chairman) of our Supervisory Board since March 2006, having been appointed in December 2005. He served as a member of the supervisory board of NIBC N.V. since 2004.

J.C. Flowers - Vice-Chairman of our Supervisory Board

Mr. Flowers graduated from Harvard University, U.S., with an A.B. degree (*magna cum laude*) in Applied Mathematics. He has spent his entire career focusing on financial services companies, as adviser, investor and manager. In 1979 he joined Goldman Sachs & Co., starting in the Mergers and Acquisitions Department. In 1988, he became a general partner. At the time of his retirement in 1998 he was global head of the Financial Institutions Group and a member of Goldman Sachs' Operating Committee. Currently, Mr. Flowers controls the general partner of each of J.C. Flowers I LP and J.C. Flowers II LP and is a director of New NIB Ltd., which is the ultimate controlling entity of the Consortium and which is the sole managing director of the Foundation. Mr. Flowers also controls and is the founder and a managing director of the investment advisory firm J.C. Flowers & Co. Mr. Flowers is also a director of Shinsei Bank Ltd (one of the members of the Consortium), Enstar Group Ltd. (an affiliate of one of the members of the

Consortium) and Fox-Pitt, Kelton LLC (an affiliate of Fox-Pitt, Kelton Limited) and a member of the supervisory board of HSH Nordbank AG (since 1 November 2006).

Mr. Flowers became a member of our Supervisory Board in December 2005. In connection with the Consortium Acquisition, it was agreed that the Consortium would nominate five to seven of the eleven members of our Supervisory Board. Mr. Flowers was nominated upon the recommendation of the Consortium to our Supervisory Board pursuant to this arrangement.

D. Rümker - Member of our Supervisory Board

Mr. Rümker graduated for his First and Second State Examination at the University of Hamburg, Germany, and graduated as Doctor of Laws at the Christian-Albrechts-University in Kiel, Germany. He began his career as an employee in the Credit Department of Dresdner Bank in 1967. In 1969, he became a member of the Legal Department of the Westdeutsche Landesbank AG. He was appointed chief legal counsel of Westdeutsche Landesbank in 1976 and became executive vice-president in 1987. In 1994, he was appointed deputy chairman of the managing board of the Landesbank Schleswig-Holstein and in 1996 he became its chief executive officer and chairman of the managing board. Mr. Rümker retired at the end of 2002. Mr. Rümker is a former member of the supervisory boards of Howaldtswerke Deutsche Werft AG, HLB, a German wholesale bank, of Credaris GmbH (from 2004 until August 2007). He is currently a member of the supervisory boards of Damp Holding AG (since July 2003) and Investitionsbank Berlin (since September 2004). He is chairman of the supervisory board of Minimax & Co. GmbH. He has been senior adviser to the Bank of America Frankfurt Branch, adviser to different companies including the German Savings Banks Association and Shinsei Bank LLC.

Mr. Rümker became a member of our Supervisory Board in December 2005. Although Mr. Rümker was appointed as a member of our Supervisory Board pursuant to a nomination by the Consortium, Mr. Rümker has not been appointed by the Consortium pursuant to a contractual arrangement with any of the investors in the Consortium.

N.W. Hoek - Member of our Supervisory Board

Mr. Hoek graduated from the Free University of Amsterdam with a Master's degree in Business Economics. He started his career with Shell Nederland Chemie B.V., Pernis, in 1981. From 1992 to 1995, he was president of Shell Uruguay S.A. and in 1995 he became director of Investments for Stichting Shell Pensioenfond. In 1997, Mr. Hoek joined Delta Lloyd Groep as member of its executive board and in 2001 he became chairman. Mr. Hoek is the former chairman of the supervisory board of the Nederlandse Herverzekeringsmaatschappij voor Terrorismeschaden N.V. and former member of the board of Vereniging VNO-NCW (from October 1998 until 22 June 2007). He is a member of the supervisory board of Stadsherstel Amsterdam N.V. (since June 2003). He is also member of the board of Verbond van Verzekeraars (since December 2000) and deputy chairman of the board of Kifid (since February 2002). He used to be member of the Banking Council of the Dutch Central Bank.

Mr. Hoek became a member of our Supervisory Board in December 2005. In connection with Delta Lloyd Private Equity B.V.'s investment in the Consortium, Delta Lloyd Private Equity B.V. entered into a contractual arrangement with New NIB GP LP pursuant to which New NIB GP LP agreed to use its best efforts to cause a representative of Delta Lloyd Private Equity B.V. to be elected to our Supervisory Board for so long as we are controlled by the Consortium and Delta Lloyd Private Equity B.V. remains a limited partner. Mr. Hoek became a member of our Supervisory Board pursuant to such contractual arrangement.

A. de Jong - Member of our Supervisory Board

Mr. De Jong studied Economics at the University of Amsterdam. From 1981 until 1985, he worked for AMRO Bank N.V. in the Security Syndication department. Subsequently, he joined First Boston Corporation in New York, U.S., where he worked in the International Corporate

Finance and Mergers and Acquisitions departments. The majority of his career was spent with Credit Suisse First Boston Ltd. in London, which he joined in 1990. His latest position there was as managing director responsible for Investment Banking activities in the Benelux. He retired in September 2005.

Mr. De Jong became a member of our Supervisory Board in December 2005. In connection with DLJ NIB Leverage I LP's and DLJ NIB Leverage II LP's (jointly "**DLJ**") investment in the Consortium, DLJ entered into a contractual arrangement with New NIB GP LP pursuant to which New NIB GP LP agreed to use its best efforts to cause a representative of DLJ to be elected to our Supervisory Board for so long as we are controlled by the Consortium and DLJ remains a limited partner. Mr. De Jong became a member of our Supervisory Board pursuant to such contractual arrangement.

W.M. van den Goorbergh - Member of our Supervisory Board

Mr. Van den Goorbergh graduated from Tilburg University with a Masters Degree in Econometrics (*cum laude*) and a PhD in Economic Sciences (*cum laude*). He started his career as assistant professor in Economics at Tilburg University in 1971 and in 1980 started working at Rabobank Nederland as an adviser to the executive board. Later, he became part of the Management Foreign Offices Department and held positions as general manager of the Securities Division, the Merchant Banking Division and the Financial Markets Division. In 1993, he became a member of the executive board of Rabobank Nederland. In 1998, he became chief financial officer and, in 2000, vice-chairman of the executive board. In 2002, he ended his career at Rabobank. From 1995 to 2002, he was member and chairman of the Dutch Bankers Association. Mr. Van den Goorbergh is a member of the supervisory boards of N.V. Bank Nederlandse Gemeenten (since June 2003), OPG Groep N.V. (since July 2006) and De Weltengroep Holding B.V. (since December 2004). He is a member of the managing board of Stichting Administratiekantoor SBT (since November 2003), Stichting Administratiekantoor Heijmans (since February 2005) and Vereniging AEGON (since April 2004). Mr. Van den Goorbergh is chairman of the managing boards of Stichting Administratiekantoor Koninklijke Wegener (since April 2003) and Stichting Administratiekantoor ANWB (since July 2006).

Mr. Van den Goorbergh became a member of our Supervisory Board in December 2005, but served as a member of the supervisory board of NIBC N.V. since 2003.

R.S. Sinha - Member of our Supervisory Board

Mr. Sinha graduated from Mansfield College, Oxford University, U.K., with a B.A. (Honours) degree and received an M.B.A. from the Columbia University Graduate School of Business, U.S. He started his career in 1986 at Goldman Sachs & Co. in London where he worked until 1989 in Capital Markets. From 1992 to 1998, he worked for Baring Brothers & Co. and subsequently for Morgan Stanley & Co. in London, U.K., Hong Kong, People's Republic of China and Bombay, India. From 1998 to 2003, he worked at Goldman Sachs in its Financial Institutions Group in New York and London, where he was responsible for Northern European banks and insurance companies. Since October 2003, Mr. Sinha has been a managing director at J.C. Flowers & Co. and chief executive officer and director of J.C. Flowers & Co. U.K. Ltd. and is also a director of New NIB Ltd. For more detail, see "Principal Shareholders, Selling Shareholders and Related Party Transactions – Shareholders." Mr. Sinha used to be a member of the supervisory board of WÜBA. Currently he is a member of the supervisory boards of Servicegesellschaft Kreditmanagement GmbH, HSH Nordbank AG (since 1 November 2006), Euromobiliare S.I.M. S.p.a. (since December 2007) and Pensions Insurance Corporation Holdings (since September 2006). In addition, he is non-executive director of Pension Investment Holding Corporation and of Fox-Pitt, Kelton LLC.

Mr. Sinha became a member of our Supervisory Board in December 2005. In connection with the Consortium Acquisition, it was agreed that the Consortium would nominate five to seven of the eleven members of our Supervisory Board. Mr. Sinha was nominated to our Supervisory Board pursuant to this arrangement.

C.H. van Dalen - Member of our Supervisory Board

Mr. Van Dalen studied Economics and Sociology at Erasmus University in Rotterdam. He started his career at DSM N.V. in 1976, where he held various human resources and general management positions at DSM Head Quarters, DSM Agro, DSM Research and DSM Polyethylenes. From January 2000 until March 2006, Mr. Van Dalen was a member of the Managing Board and from January 2001 until March 2006 he was chief financial officer of DSM N.V. As of April 2006, Mr. Van Dalen was appointed member of the board of management and chief financial officer of TNT N.V. He is also a member of the supervisory board of Macintosh Retail Group N.V. (since May 2003), a member of the board of advisors of Stichting AIESEC Nederland (since 2001), a member of the board of advisors of Arthur D. Little Netherlands (since June 2005) and NEVIR (Dutch Association for Investor Relations), a member of the board of “Nationaal Fonds 4/5 Mei” (since June 2004) and treasure of the NOC*NSF (Dutch Olympic Committee and Dutch Sports Federation) (since May 2007).

Mr. Van Dalen became a member of our Supervisory Board in January 2006.

A.H.A. Veenhof - Member of our Supervisory Board

Mr. Veenhof studied Business Administration at the University of Nijenrode and Economics at the University of Groningen. The majority of his career has been with Koninklijke Philips Electronics N.V., where he started working in 1971 as management development officer and where until 2003 he held various management positions. From 1987 to 1991, he was corporate project leader and senior vice-president for LCD Technology and Applications Group. From 1992 to 1995, he was chief executive officer of the Video Equipment Business Unit. In 1996, he became chief executive officer of the Product Division Domestic Appliances and Personal Care and member of the Group Management Committee. In 2003, he left Philips to become chief executive officer of Koninklijke Wessanen N.V. Mr. Veenhof is also member of the board of InnovatieNetwerk Grensverleggend in Agro en Groen (*InnovationNetwork Reinventing Agribusiness and Rural Areas*) (since 2004) and member of the supervisory boards of the University of Maastricht (since 2006) and Mautner Markhof Handels- und Beteiligungs AG, Austria (since 2004).

Mr. Veenhof became a member of our Supervisory Board in May 2006.

Supervisory Board Committees

The Supervisory Board is currently supported by four committees consisting of members of the Supervisory Board: the Risk Policy Committee, with a subcommittee for purposes of related party transactions, the Audit and Compliance Committee, the Remuneration and Nominating Committee, and the Strategic Committee.

Risk Policy Committee

The members of the Risk Policy Committee are Mr. van den Goorbergh (Chairman), Mr. Flowers, Mr. Lindenbergh and Mr. Rümker. The Risk Policy Committee met five times in 2007.

The Risk Policy Committee assists the Supervisory Board in monitoring the risk policy and profile in relation to our general lending and investment policy and individual transactions above a certain threshold. In addition, it advises the Supervisory Board on market, credits, investment and

operational risks and on progress made with regard to Basel II. The main topics that were discussed in 2007 concern the U.S. structured portfolios, liquidity and our risk profile. Syndication reports, leveraged finance, country risk reports, impairment reports and portfolio overviews were also discussed by the Committee.

The Committee has also discussed the market risk and event risk reports, economic capital reports and liquidity risk reports on a regular basis. In 2007, several progress reports with regard to Basel II were discussed.

Related Party Transactions Subcommittee

The members of the Related Party Transactions Subcommittee are Mr. van den Goorbergh (Chairman) and Mr. Lindenberg, both of whom meet the independence criteria outlined in the Code. The Related Party Transactions Subcommittee met once in 2007.

The Related Party Transactions Subcommittee assists the Supervisory Board in assessing material agreements of any kind with a person or group of persons who hold, directly or indirectly, 10% of our issued and outstanding share capital or of the voting rights at the Annual General Meeting of Shareholders, or any person affiliated with any such person(s). An agreement will in any event be considered material if the amount involved exceeds EUR 10 million. The Supervisory Board has delegated the authority to approve such a material transaction to the Related Party Transactions Subcommittee.

Audit and Compliance Committee

The members of the Audit and Compliance Committee are Mr. van den Goorbergh (Chairman), Mr. van Dalen, Mr. Lindenberg and Mr. Sinha. The Audit and Compliance Committee met seven times in 2007.

The Audit and Compliance Committee assists the Supervisory Board in monitoring our systems of financial risk management and internal control and compliance with legislation and regulations, the integrity of its financial reporting process and the content of the annual financial statements and reports, and in advising on corporate governance and corporate social responsibility matters. The main topics that were discussed during 2007 were the 2007 budget and long term planning, the quarterly, semi-annual and annual financial reports and related press releases, the U.S. ABS investment book and the impact of the accounting choices on the financial figures and related external communication, the impact of the market circumstances on us and developments regarding the internal reporting process and related risk control environment.

The Audit and Compliance Committee discussed the reports of external auditor PricewaterhouseCoopers Accountants N.V., the engagement letter and fee letter of the external auditor and the audit plan of the external auditor. The Audit and Compliance Committee also discussed the audit plan including progress and main findings and conclusions of the Internal Audit department.

The Audit and Compliance Committee evaluated the external auditors and functioning of Internal Audit, Group Compliance and Corporate Secretariat, and the Corporate Governance policy.

The external and internal auditors were represented at all meetings of the Audit and Compliance Committee in 2007. The External auditor had, as described in the charter, one meeting without the members of the Managing Board.

Remuneration and Nominating Committee

The members of the Remuneration and Nominating Committee are Mr. Flowers (Chairman) and Mr. Lindenberg. The Remuneration and Nominating Committee met five times in 2007.

The Remuneration and Nominating Committee advises the Supervisory Board on the remuneration of the members of the Supervisory Board and the Managing Board, senior management and certain other senior employees, provides the Supervisory Board with proposals for appointments and re-appointments to the Supervisory Board, its Committees and the Managing Board, evaluates the performance of the other Supervisory Board Committees, assesses the performance of the members of the Managing Board and the Supervisory Board and monitors the remuneration policy, which entails discussions about the total available pool for variable compensation and defining the collective and individual performance targets which form the basis for the variable compensation for the individual members of the Managing Board. In 2007, the Committee discussed the 2007 remuneration policy for the Managing Board and Supervisory Board, the individual compensation arrangements for the members of the Managing Board, the overall available funding for variable compensation arrangements, the performance of the Managing Board and some special compensation arrangements for our Investment Management business. The Committee has made recommendations to the Supervisory Board on all these topics.

Strategic Committee

The members of the Strategic Committee are Mr. van den Goorbergh (Chairman), Mr. van Dalen, Mr. Flowers, Mr. Lindenberg, Mr. Rümker and Mr. Sinha. The Strategic Committee did not meet in 2007.

The Strategic Committee discusses the strategic options that present themselves to us, like the Kaupthing transaction. During 2007, these items were considered to be so important that they were discussed during Supervisory Board meetings rather than in meetings of the Strategic Committee. Therefore the Strategic Committee did not meet in 2007.

Senior Management

Our Managing Board is supported by the members of our senior management mentioned below. Our Managing Board conducts joint meetings with our senior management on at least a weekly basis. Our Managing Board and senior management together form our management committee, which manages our day-to-day operations. Our senior management consists of the following persons:

A.F. Tulp

Mr. Tulp graduated from the Erasmus University in Rotterdam with a degree in Economics and from the Graduate School of International Studies of the University of Denver, U.S. with a masters degree in International Affairs. He started his career with the Continental Illinois National Bank of Chicago as relationship manager. From 1985 to 1988, he worked as senior economist at the International Affairs Department of the Dutch Central Bank. In 1988, he joined McKinsey & Company Inc. where he worked as senior engagement manager until 1995. In January 1995, he became director of HAL Investments B.V. until he joined us in January 2003. Mr. Tulp is a former member of the supervisory boards of Mercurius Groep B.V. (1997 – 2002), Schreiner Aviation Group B.V. (1998 – 2004), FD Mediagroep B.V. (2000 – 2005) and Vitae Beheer B.V. (2004-2008). He is currently a member of the supervisory boards of Kruinenborgh Beheer B.V. (since

2003), NVDU Acquisition B.V. (since September 2006), B.Wise Beheer B.V. (since August 2006) and Nibretco Holding B.V. (since March 2008). In addition, he is Chairman of the Advisory Committee of Aescap Venture and member of the Advisory Councils of ICG Mezzanine Fund 2003 No. 1 Limited Partnership (since September 2003) and ICG European Fund 2006 Limited Partnership (since 2006).

Mr. Tulp joined the management committee of NIBC N.V. in 2003 and became a member of our Management Committee after the Consortium Acquisition. He is also a managing director and head of our Principal Investments SBU.

J.A. van Hessen

Mr. Van Hessen graduated from the Erasmus University in Rotterdam with a degree in Macroeconomics and from the University of Amsterdam with a degree in Dutch Law. He started his career in 1990 at management consultancy firm Horinga & De Koning (that became part of the Boston Consulting Group). He subsequently started working, in 1992, as adviser to the managing board at AEGON N.V. and in Corporate Finance with its subsidiary Bank Labouchere N.V. Mr. Van Hessen joined us in 1999 when he reorganised the residential mortgage Principal Finance business and has been heading our residential and commercial real estate securitisation programmes as well as our other securitisations over the years. In 2005 Mr. Van Hessen was appointed as the Managing Director of the SBU Real Estate Markets and became a member of the management committee of NIBC N.V. after the Consortium Acquisition. In 2007 Mr. Van Hessen moved to Germany to combine the responsibility for the SBU Real Estate Markets with the growth ambitions of the Bank in Germany as senior Country Manager Germany. Early 2008 Mr. Van Hessen became also responsible for the SBU Financial Markets, which he combined with the SBU Real Estate Markets to form the new SBU Capital Markets. Since 2007 Mr. Van Hessen is a member of the Supervisory Board of SR-Hypotheek N.V. and a Supervisory Director of Welke Beheer B.V., one of our mortgage distribution partners.

J.H.W.R.. van der Vlist

Mr. van der Vlist graduated from a school for higher education in economics and management (HEAO) in Utrecht with a degree in Business Economics. He started his career in 1976 in the Accounting Department of Bredero Holding. Subsequently he started working at the pension fund PGGM in 1982. He held various positions within PGGM Investments with responsibilities for finance, accounting, control and real estate and his latest job was director structured investments, which includes real estate, private equity and absolute return funds until he joined us in 2006. Mr. van der Vlist is a former board member of Société Foncière des Pimonts (1992-2006), Cornerstone Properties (1997-2000), Equity Office Properties (2000-2007) and Amvest B.V. (2005-2006). Other memberships include former member of the Management Board of EPRA (European Real Estate Association) and former board member of the Advisory Board of Real Estate Publishers B.V. Since 2008 Mr. van der Vlist is a board member of Matrix European Real Estate Investment Trust Limited.

Mr. van der Vlist joined the Management Committee in March 2007. Early 2007 he became head of the SBU Investment Management, which SBU establishes funds in infrastructure, real estate and private equity.

Remuneration

2007 Remuneration Policy and Practices of the Managing Board

In 2007, the total remuneration levels of the Managing Board continued to be based on a market comparison with a labour market peer group, details of which can be found below.

Remuneration principally consisted of base salary and variable compensation which was performance-related and consisted of both a cash bonus and a deferred compensation element. Approximately 23% of the total compensation of the Managing Board in 2007 (excluding pensions) was made up of variable compensation. The emphasis on the variable part of the remuneration package reflects the ambition to create a sustainable high performance culture and is, broadly, in line with the compensation policies at our labour market peer group.

In summary, the remuneration policy for the Managing Board for 2007 was based on the following principles:

Total target remuneration levels should reflect market median remuneration levels of a labour market peer group consisting of relevant (European divisions of) financial institutions active in the Dutch, German and British financial markets. In the event of extraordinary performance of the Managing Board, total remuneration levels should be broadly in line with 75% (3rd Quartile) levels of the labour market peer group;

Base salary levels of the Managing Board should be broadly in line with market median levels of the labour market peer group;

Annual total remuneration levels of the Managing Board members are differentiated and reflective of their specific role, their relative experience and performance, the market levels of remuneration for that role, and the specific market circumstances under which the Managing Board operates;

In the event of on-target performance, members of the Managing Board with the exception or the Chief Financial Officer Mr. van Dijkhuizen may be awarded a discretionary cash bonus of up to 75% of their base salary and a discretionary deferred compensation grant with a value of up to 100% of their base salary. In the case of extraordinary performance and at the discretion of the Supervisory Board a cash bonus may be awarded of up to 100% of their base salary. Mr. Van Dijkhuizen may be awarded a discretionary bonus of up to 30% of his base salary in the case of on-target performance as well as a discretionary deferred compensation grant of up to 40% of his base salary. He may be awarded a cash bonus of up to 40% of his base salary in the case of extraordinary performance and at the discretion of the Supervisory Board;

Managing Board members will be employed for an indefinite period of time but are appointed as statutory director for a maximum term of four years;

Upon termination of employment at the request of NIBC without cause, Managing Board members are entitled to severance pay equal to their base salary;

Managing Board members are eligible for membership of an NIBC-sponsored pension plan which consists of a defined benefit (from 1 January 2007 for new participants capped at a pensionable salary of EUR 55,000) and a defined contribution (from 1 January 2007 capped at a pensionable salary of EUR 400,000) component.

Labour Market Peer Group

In order to be able to recruit the right calibre of executives for the Managing Board, and to secure long-term retention of current Managing Board members, we have taken external reference data into account in determining compensation levels. For this purpose a labour market peer group

was defined consisting of relevant (European divisions of) financial institutions active in the Dutch, German and British market, with which we compete for talent and business. The companies were selected based on strategic considerations (e.g. comparable clients, geographical focus, service and strategy) and tactical considerations (e.g. comparable activities such as Corporate Finance, Financial Markets, and Asset / Investment Management for third parties). The labour market peer group consists of the (relevant divisions of the) following financial institutions:

ABN AMRO;
Barclays;
Bear Stearns (London);
BNP Paribas;
Deutsche Bank;
Fortis;
ING Bank;
Kempner & Co;
Dresdner Bank;
Rabobank; and
Royal Bank of Scotland.

Base Salary

In line with the new Remuneration Policy and in view of the fact that the base salaries of the members of the Managing Board had not been adjusted since 2002, the Remuneration and Nominating Committee has recommended, and on 8 February 2007 the Supervisory Board approved, increasing the base salary of Mr. Van Nieuwenhuizen from EUR 350,000 to EUR 400,000, an increase of 14%. The base salary of Mr. Van Dijkhuizen remained unchanged at EUR 350,000.

Variable Compensation

Each year, the variable compensation pool is determined on the basis of a combination of our total compensation ratio (total personnel-related expenses as a percentage of total revenue) and the pay-out ratio (total variable compensation as a percentage of the operating result before tax and pay-out of variable compensation).

Variable compensation consists of a short-term cash element and a short-term deferred compensation element. In respect of the financial year 2007 the deferred compensation is delivered in the form of RDRs.

Bonus

The short term bonus for all Managing Board members is awarded on the basis of a consistent balanced scorecard methodology, whereby corporate financial (50%), corporate non-financial (25%) and individual (25%) performance criteria are weighted. For 2007 the agreed corporate financial criteria were: net profit, efficiency ratio, comprehensive return on net asset value and non-interest income ratio. Corporate non-financial targets included the growth of our alternative investment management activities and our financial institutions client franchise and the expansion of our German and our commercial real estate finance businesses. Other corporate non-financial targets included the continued improvement of the quality and sustainability of our earnings and our operational excellence coupled with providing shareholders with a regular,

growing dividend. Specific details of the financial criteria are not disclosed as these are considered to be commercially sensitive. Targets are revised annually to ensure that they remain stretching but realistic.

Given the specific role and responsibilities assigned to the Chief Financial Officer, the Chief Financial Officer's bonus is not dependent on our overall financial performance. Instead it is largely determined on the basis of corporate non-financial criteria (50%) and individual performance criteria (50%) such as the quality and process (improvements) of our external and internal financial reporting and internal controls and the management and mitigation of operational risk.

Consequently, in determining the bonuses for 2007, specific consideration was given to the performance delivered against the corporate financial, corporate non-financial and individual performance criteria. In light of the financial performance in 2007 Mr. Van Nieuwenhuizen has managed to deliver satisfactory performance for the SBU Corporate Finance as well as achieve most of his individual performance targets. Mr. Van Dijkhuizen on the other hand does not share in the responsibility for the achievement of corporate financial targets but only in the corporate non-financial targets. He did exceed his individual performance targets. Taking all relevant aspects into consideration the Remuneration and Nominating Committee decided to recommend a cash bonus of 35% of his base salary for Mr. Van Nieuwenhuizen and 40% of his base salary for Mr. Van Dijkhuizen.

Deferred Compensation

For the Managing Board, the annual expected economic value of the deferred compensation is up to 100% of base salary granted in the form of RDRs. The Chief Financial Officer can earn up to 35% of his base salary. For the year 2007 and in line with the aforementioned, the Remuneration and Nominating Committee decided to recommend for Mr. Van Nieuwenhuizen a deferred compensation grant with a value of 35% of his base salary and for Mr. Van Dijkhuizen a grant with a value of 40% of his base salary.

Total Direct Compensation

Compared to 2006, total direct compensation (base salary, annual cash bonus plus the value of the deferred compensation) has decreased for Mr. Van Nieuwenhuizen by 32%. Mr. Van Dijkhuizen's total direct compensation increased by 9%. The Remuneration and Nominating Committee refers to the tables in note 55 to our 2007 consolidated financial statements in "Index to Financial Statements" for details.

Pensions

In 2007, Mr. Van Nieuwenhuizen and Mr. Van Dijkhuizen were entitled to a defined benefit pension arrangement up to a pensionable salary of EUR 78,510 (annually adjusted for general wage increases in line with the Collective Labour Agreement for Banks in the Netherlands) under NIBC Bank's employee pension plan, and an additional defined contribution arrangement with a maximum pensionable salary of EUR 400,000. All premiums are paid for by NIBC Bank at a flat rate of 20% of pensionable salary plus the franchise. The pensionable age for all Managing Board members is 65.

Loans

As a policy, we do not provide loans to our executives. As per 31 December 2007, there are no loans outstanding.

Contracts of Employment

Except for Mr. Van Dijkhuizen, the contracts of employment of the other members of the Managing Board all pre-dated the introduction of the Code and, as such, were not fully compliant with that Code. For instance, these contracts contain higher severance pay provisions than allowed and the term of appointment as statutory director was for an indefinite period of time. In order to comply with the key principles of the Code, to ensure consistency between the employment contracts of the four Managing Board members and to incorporate any legal changes and changes to their compensation arrangements, the Remuneration and Nominating Committee recommended and the Supervisory Board adopted, the renewal of the employment contracts of all the Managing Board members and immediately incorporate the new, aforementioned terms. These amended contracts take effect from 1 January 2007 and include inter alia severance arrangements in line with the Code for all Managing Board members.

Mr. Van Dijkhuizen was re-appointed for a 3-year term as he had, effectively, already served one year of his initial 4-year term.

Expense Allowance

All Managing Board members are entitled to an expense allowance which covers specifically identified minor expenses.

Other Emoluments

Like all employees, Managing Board members are entitled to a subsidy towards the cost of mortgage interest paid and they also receive a contribution towards the cost of medical insurance.

Remuneration Supervisory Board

The remuneration for the Supervisory Board has not changed in 2007 and, at present, consists of remuneration for Chairman of the Supervisory Board of EUR 55,000, for the Vice-Chairman of EUR 45,000, and for the members of EUR 35,000, with expenses covered by a fixed expense allowance of EUR 5,000.

The Supervisory Board has four committees, with a different fee structure for its members. The annual fee for the Audit and Compliance Committee amounts to EUR 15,000, for the Risk Policy Committee, including the Related Party Transaction subcommittee, to EUR 11,500, for the Remuneration and Nominating Committee to EUR 10,000, and for the Strategic Committee to EUR 11,500. In accordance with the Code, we do not award performance-related pay to the members of the Supervisory Board.

We have no agreements with the members of our Supervisory Board providing for benefits upon termination of employment.

2008 Remuneration Policy Managing Board

The Remuneration and Nominating Committee has recommended one adjustment to the 2007 Remuneration Policy for the Managing Board. This involves the variable compensation

opportunities for the Chief Risk Officer, who was newly appointed on 22 February 2008. The remuneration policy for 2008 has been approved by the full Supervisory Board and the General Meeting of Shareholders on 20 March 2008.

In summary, the remuneration policy for the Managing Board for 2008 onwards will be based on the following principles:

Total target remuneration levels should reflect market median remuneration levels of a labour market peer group consisting of relevant (European divisions of) financial institutions active in the Dutch, German and British financial markets. In the event of extraordinary performance of the Managing Board, total remuneration levels should be broadly in line with 75% (3rd Quartile) levels of the labour market peer group;

Base salary levels of the Managing Board should be broadly in line with market median levels of the labour market peer group; and

Annual total remuneration levels of the Managing Board members are differentiated and reflective of their specific role, their relative experience and performance, the market levels of remuneration for that role, and the specific market circumstances under which the Managing Board operates.

The variable compensation opportunities for the Managing Board members are as follows:

	Cash bonus		Deferred compensation
ROLE	On-target performance	Extra-ordinary performance	On-target performance
Chairman and CEO	Up to 75%	Up to 100%	Up to 100%
Member, responsible for Corporate Finance	Up to 75%	Up to 100%	Up to 100%
Chief Risk Officer	Up to 60%	Up to 80%	Up to 100%
Chief Financial Officer	Up to 30%	Up to 40%	Up to 40%

All percentages are percentages of these respective base salaries and any award made is at the absolute discretion of the Supervisory Board. Managing Board members will be employed for an indefinite period of time but are appointed as statutory director for a maximum term of 4 years. Upon termination of employment at our request without cause, Managing Board members are entitled to severance pay equal to their base salary. Managing Board members are eligible for membership of a pension plan which consists of a defined benefit (from 1 January 2007 for new participants capped at a pensionable salary of EUR 55,000) and a defined contribution (from 1 January 2007 capped at a pensionable salary of EUR 400,000) component.

Base Salary

In line with the new remuneration policy the Remuneration and Nominating Committee has recommended, and on 21 February 2008 the Supervisory Board approved, increasing the base salary of Mr. Van Dijkhuizen from EUR 350,000 to EUR 400,000, an increase of 14%. The base salaries of the other Managing Board members remain unchanged.

Senior Management

The total remuneration we paid to or for the benefit of our senior management in 2007 amounted to €944,250.

The number of RDRs granted to our senior management is shown in the table "Overview Depositary Receipts as at 1 February 2007" and the number of options is shown in the table "Overview Options as at 1 February 2007" below.

Other Information Relating to Members of our Managing Board, our Supervisory Board and our senior management

In relation to each of the members of our Managing Board, our Supervisory Board and our senior management, we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. We have not provided any loans to any member of our Managing Board, our Supervisory Board or our senior management.

Managing Board and Supervisory Board Conflicts of Interest

Other than the fact that two members of our Supervisory Board are "not independent" as described in "Description of Share Capital and Corporate Governance – Dutch Corporate Governance Code", the fact that the members of our Managing Board are also members of the managing boards of NIBC Bank and NIBC Investment Management N.V., and the fact that the members of our Supervisory Board are also members of the supervisory board of NIBC Bank, and except as disclosed in "– Members of our Supervisory Board" and "Principal Shareholders and Related Party Transactions", we are not aware of any potential conflicts of interests between the private interests or other duties of the members of our Managing Board or our Supervisory Board or our senior management and their duties and responsibilities towards us.

NIBC Choice

Introduction

In 2005, a new share-based compensation plan called NIBC Choice was introduced in close co-operation with the then new shareholders. This plan allowed members of the Managing Board and all other employees to convert the after tax proceeds of their accumulated rights relating to various deferred compensation arrangements into CDRs (with respect to vested rights) and RDRs (with respect to unvested rights). All accumulated vested and unvested rights under our stock appreciation rights plan and the Liquidity Event Plan qualified for this conversion.

The opportunity to invest was offered in the firm belief that management and employee ownership that aligns personal financial interests with those of the other shareholders is

instrumental in creating long term value for the Company. As an additional incentive for all those who chose to participate in NIBC Choice, we offered matching options for CDRs or RDRs acquired. Additionally, the new shareholders exercised their discretion to grant additional options to the members of the Managing Board and selected senior managers.

All members of the Managing Board chose to convert their after tax proceeds of vested amounts under the legacy plans into CDRs and their after tax proceeds of unvested amounts under those plans into RDRs.

Components of variable compensation

Under our remuneration policy, NIBC Choice forms the deferred compensation part of the variable compensation. The other part of the variable compensation is the award of a discretionary short term cash bonus. NIBC Choice is only open to management and employees and contains restrictions relating to termination of employment or certain corporate events, such as restructurings, affecting the rights that would otherwise accrue to them.

Additionally, with respect to some investment professionals within Investment Management, separate performance related rewards schemes ('carried interest') are agreed upon. These rewards are partly related to the employment of the investment professionals and partly related to their own investments and carried interest rights in the specific funds. All related expenses are recognised under personnel expenses in the income statement. The actual payment of the carried interest to the investment professionals is subject to specific conditions.

CDRs and RDRs

CDRs and RDRs have been issued by the Foundation in accordance with its conditions of administration (*administratievoorwaarden*) applicable to the relevant CDRs or RDRs.

The mechanics of issuances of depositary receipts by the Foundation are described in 'Description of the Share Capital, Depositary Receipts and Corporate Governance - Depositary Receipts'.

The purchase price established for a depositary receipt when NIBC Choice was first introduced was EUR 18.25. Employees are informed on a quarterly basis of the fair market value for depositary receipts, as that term is defined in the applicable conditions of administration.

As part of our deferred compensation, we granted 422,806 new RDRs (the 2007 RDRs) in 2007 in respect of the financial year 2006. The conditions of administration applicable to these 2007 RDRs are in line with the 2006 RDRs with 5 years vesting starting on 1 January 2008 whereby each year one fifth vests. When the 2007 RDRs were granted, the purchase price of EUR 19.68 was determined based on the changes in our net asset value, calculated using a fixed formula contained in the conditions of administration of the Foundation, compared with the purchase price of EUR 18.25, which was determined when NIBC Choice was first introduced.

In 2008 we have granted 442,417 RDR's in respect of the deferred compensation over 2007. The purchase price was €9.06 per RDR.

Option Plan

The initial NIBC Choice plan also comprised the Option Plan which allowed us to grant options to members of its Managing Board and employees up to a maximum of 5% of our share capital as at 14 December 2005 on a fully diluted basis. The Option Plan was introduced with the intention of further enhancing the attractiveness of converting accumulated rights under the legacy plans into NIBC Choice by granting options to employees who converted their entitlements into depositary receipts. In addition, options were granted to encourage investment of own funds by employees in CDRs and as part of the compensation of senior management. We do not envisage granting any further options under the current Option Plan or any other plan.

Each option gives the option holder the right to be issued one CDR. The options are only exercisable by the option holder himself. Of the options granted on a certain date, 50% vests after three years and the remainder vests after four years from the date of grant (or for options granted on or after 31 March 2006, from 1 January 2007). Options may be exercised as from the vesting date until 14 December 2012, or such other date as determined by our Managing Board, provided that such period will end no later than 14 December 2015. As a general rule, all options shall be forfeited for no consideration upon termination of employment of an option holder. However, vested options are exercisable during open periods in accordance with relevant the conditions of administration of the Foundation.

The exercise price of an option is equal to the fair market value of a depositary receipt at the date of grant as defined and calculated in accordance with the conditions of administration of the Foundation. This fair market value is based on the changes in our net asset value, calculated using a fixed formula, relative to the exercise price of EUR 18.25, which was determined when we first introduced the Option Plan in December 2005. The resulting exercise price at the date of grant for options granted prior to 31 March 2006 ranged from EUR 18.25 in December 2005 to EUR 18.49 in March 2006 per option.

The exercise price at the date of grant for options granted on or after 31 March 2006 ranged from EUR 19.81 in April 2006 to EUR 20.67 in September 2006 (which is the month after which no further options have been granted) per option. The exercise price of an option is reduced by any dividends paid since the date of grant. Employees are informed on a quarterly basis of the exercise price of an option. The Managing Board may allow for a cashless exercise, allowing the holder to convert his options into fewer CDRs than he would otherwise be entitled to, while not having to pay the exercise price. Upon the occurrence of certain corporate events, such as capital adjustments, payment of stock dividends, an issue of shares or recapitalisations, the Managing Board, following consultation with the Supervisory Board, may adjust the number of options and / or the exercise price as is equitable to reflect the event.

NIBC Choice: CDRs

At the year-end 2007, 1,964,712 (2006: 1,919,911) CDRs were outstanding. The CDRs are cash settled to the extent that an employee has the right to demand cash settlement against their fair value, as determined in accordance with the conditions of administration. Of the position as at year-end 2007, 27,833 which is 1.4% (2006: 218,836 and 11.0%) of CDRs were as cash settled.

NUMBER OF CDRs	Mr. Jeroen P. Drost	Mr. Jan Sijbrand	Mr. Jan L. van Nieuwenhuizen	Mr. Kees van Dijkhuizen	Subtotal	Staff	Total
POSITION AS AT 1-1-2006		-	189,329	10,000	199,329	1,686,870	1,886,199
Investments by / grants to new joiners	-	-	-	-	-	89,633	89,633
Weighted average grant price	-	-	-	-	-	20.44	20.44
Vesting of RDRs	-	-	-	-	-	1,685	1,685
CDRs repaid	-	-	-	-	-	(57,606)	(57,606)
POSITION AS AT 31-12-2006	-	-	189,329	10,000	199,329	1,720,582	1,919,911
Fair Market Value per Share as at 31-12-2006 ¹	-	-	19.68	19.68	19.68	19.68	19.68
POSITION AS AT 1-1-2007	-	-	189,329	10,000	199,329	1,730,582	1,919,911
Investments by / grants to new joiners	-	-	-	-	-	28,002	28,002
Weighted average grant price	-	-	19.68	19.68	19.68	19.68	19.68
Vesting of RDRs	-	-	2,236	520	2,756	49,023	51,779
CDRs repaid	-	-	-	-	-	(34,980)	(34,980)
POSITION AS AT 31-12-2007	-	-	191,565	10,520	202,085	1,762,627	1,964,712
Fair Market Value per depositary receipt as at 31-12-2007 ¹	-	-	17.32	17.32	17.32	17.32	17.32

1. The Fair Market Value per CDR is defined by the conditions of administration as parent shareholders' equity, decreased by the revaluation reserve for corporate loans, the hedging reserve and proposed (but not yet paid out) dividend, increased by the difference between the acquisition price of NIBC N.V. in 2005 and the fair market value of NIBC N.V. on June 30, 2005, divided by the number of outstanding shares in NIBC Holding N.V. on the applicable balance sheet date. The fair market value is calculated including the effect of proposed dividend. The holdings of Mr. Enthoven and Mr. Stegmann are included under 'Staff'.

NIBC Choice: RDRs

At the year-end 2007, 1,047,725 (2006: 733,150) RDRs were outstanding, with an average remaining vesting period of 1.02 (2006: 1.35) years. A requirement for vesting at the vesting date is that the holder is still employed by us or one of our group companies. The RDRs are considered cash settled (as opposed to equity settled) to the extent that an employee has the right to demand payment against their net asset value. Of the position as at year-end 2007, 3,902 which is 0.4% (2006: 27,017 and 4%) were considered as cash settled.

NUMBER OF RDRs	Mr. Jeroen P. Drost	Mr. Jan Sijbrand	Mr. Jan L. van Nieuwenhuizen	Mr. Kees van Dijkhuizen	Subtotal	Staff	Total
POSITION AS AT 1-1-2006	-	-	57,754	0	57,754	440,694	498,448
Granted in 2006	-	-	11,180	2,596	13,776	255,454	269,230

Weighted average grant price	-	-	18.49	18.49	18.49	18.49	18.49
Forfeited	-	-	-	-	-	(40,343)	(40,343)
Granted in 2006	-	-	-	-	-	7,500	7,500
Weighted average grant price	-	-	-	-	-	18.51	18.51
Vested into CDRs	-	-	-	-	-	(1,685)	(1,685)
POSITION AS AT 31-12-2006	-	-	68,934	2,596	71,530	661,620	733,150
Fair Market Value per RDR as at 31-12-2006 ¹	-	-	19.68	19.68	19.68	19.68	19.68
POSITION AS AT 1-1-2007	-	-	68,934	2,596	71,530	661,620	733,150
Granted in 2007	-	-	11,311	3,049	14,360	408,446	422,806
Weighted average grant price	-	-	19.68	19.68	19.68	19.68	19.68
Forfeited	-	-	-	-	-	(56,452)	(56,452)
Granted in 2007	-	-	-	-	-	-	-
Weighted average grant price	-	-	-	-	-	-	-
Vested into CDRs	-	-	(2,236)	(520)	(2,756)	(49,023)	(51,779)
POSITION AS AT 31-12-2007	-	-	78,009	5,125	83,134	964,591	1,047,725
Fair Market Value per RDR as at 31-12-2007 ¹	-	-	17.32	17.32	17.32	17.32	17.32
<p>1. The Fair Market Value per RDR is defined by the conditions of administration as parent shareholders' equity, decreased by the revaluation reserve for corporate loans, the hedging reserve and proposed (but not yet paid out) dividend, increased by the difference between the acquisition price of NIBC N.V. in 2005 and the fair market value of NIBC N.V. on 30 June 2005, divided by the number of outstanding shares in NIBC Holding N.V. on the applicable balance sheet date. The fair market value is calculated including the effect of proposed dividend. The holdings of Mr. Enthoven and Mr. Stegmann are included under 'Staff'.</p>							

NIBC Choice: Options

In the year end 2007, 3,552,569 (2006: 4,931,439) options on depositary receipts were in issue, with an average remaining vesting period of 1.6 (2006: 2.6) years. A requirement for vesting at the vesting date is that the holder is still employed by us or one of our group companies. The average exercise period of the options is 5.1 (2006: 6.1) years. All options are equity settled instruments.

NUMBER OF OPTIONS	Mr. Jeroen P. Drost	Mr. Jan Sijbrand	Mr. Jan L. van Nieuwenhuizen	Mr. Kees van Dijkhuizen	Subtotal	Staff	Total
POSITION AS AT 1-1-2006	-	-	410,286	60,000	470,286	4,101,310	4,571,596
Options 2005 granted	-	-	-	-	-	158,220	158,220

Average Exercise Price per Option	-	-	-	-	-	19.00	19.00
Options 2006 granted	-	-	-	-	-	370,000	370,000
Average Exercise Price per Option	-	-	-	-	-	20.67	20.67
Options forfeited	-	-	-	-	-	(168,377)	(168,377)
POSITION AS AT 31-12-2006 ¹	-	-	410,286	60,000	470,286	4,461,153	4,931,439
	-	-	-	-	-	-	-
POSITION AS AT 1-1-2007	-	-	410,286	60,000	470,286	4,461,153	4,931,439
Options 2007 granted	-	-	-	-	-	-	-
Average Exercise Price per Option	-	-	-	-	-	-	-
Options forfeited	-	-	-	-	-	(1,378,870)	(1,378,870)
POSITION AS AT 31-12-2007	-	-	410,286	60,000	470,286	3,082,283	3,552,569
	-	-	-	-	-	-	-
Average fair value at grant date ¹	-	-	6.07	6.07	6.07	6.07	6.07
Weighted Average Exercise Price per Option as at 31-12-2007	-	-	15.15	15.15	15.15	15.57	15.52

1. The fair value of the options at grant date is calculated using a Black & Scholes pricing model. For the options issued in 2005, the fair value was calculated using an implied volatility of 24%, based on the implied volatility from long term options of peer-banks, an exercise period of 7 years, an exercise price of EUR 18.25, a fair value of the underlying CDR of EUR 18.25, a risk free rate of return of 3.2% and expected dividend pay-outs of nil (as based on the NIBC Choice option regulation, these are periodically adjusted in the exercise price). These options represent 91% of the options outstanding at the end of 2007 (2006: 90%). The fair value at grant date of the two smaller series of options issued in 2006 are calculated in the same way using the same volatility, exercise period and dividend assumptions, but with updated input variables for the risk free rate of return, exercise price and fair value of the underlying. The average fair value at grant date was EUR 6.07 at the end of 2006. There were no new option series granted in 2007. The holdings of Mr. Enthoven and Mr. Stegmann are included under 'Staff'.

With respect to all instruments relating to NIBC Choice an amount of EUR 20 million was expensed through personnel expenses in 2007 (2006: EUR 36 million), of which EUR 1 million credit (2006: EUR 6 million) refers to cash settled instruments and EUR 11 million (2006: EUR 24 million) to equity settled instruments. With respect to the cash settled instruments, the amount expensed during the vesting period through the income statement is based on the number of instruments originally granted at grant date and at balance sheet date, their fair value at grant date and at balance sheet date, the vesting period and estimates of the number of instruments that will be forfeited during the remaining vesting period.

The liability in the balance sheet with respect to cash settled instruments is EUR 1 million (2006: EUR 5 million) which can be exercised at 31 December 2007. With respect to the equity settled instruments, options and RDRs, the amount expensed during the vesting period through the income statement is based on the number of instruments granted at balance sheet date, their fair value at grant date, the vesting period and estimates of the number of instruments that will be

forfeited during the remaining vesting period.

Directors' Insurance and Indemnification

In order to attract and retain qualified and talented persons to serve as members of our Managing Board, Supervisory Board, as our senior management or in other senior management functions, we provide such persons with protection through a directors' and officers' insurance policy. Under this policy, any of our past, present or future directors or officers or the directors or officers of any of our subsidiaries will be insured against any claim made against any one of them for any wrongful act in their respective capacities as directors or officers, except for and to the extent that they are separately indemnified by us. The policy also covers our losses arising from any such indemnified claim, but only when and to the extent that we are legally required or permitted to indemnify the directors or officers for such loss.

Under our Articles of Association, we are required to indemnify each current and former member of our Managing Board and our Supervisory Board who was or is involved, in that capacity, as a party to any actions or proceedings, against all conceivable financial loss or harm suffered in connection with those actions or proceedings, unless it is ultimately determined by a court having jurisdiction that the damage was caused by intent (*opzet*), wilful recklessness (*bewuste roekeloosheid*) or serious culpability (*ernstige verwijtbaarheid*) on the part of such member.

Pension Schemes

In The Netherlands, we have a collective pension arrangement for our employees which consists of a defined benefit component up to a maximum salary and a defined contribution component for any salary over the maximum salary for the defined benefit component up to a maximum pensionable salary (base salary minus deductible) of €400,000 (the "**Employee Pension Plan**"). This plan meets the requirements as determined by the Collective Labour Agreement for Banks (*Algemene Bank CAO*). The maximum salary under our defined benefit component amounts to €55,000 (for employees joining as of 1 January 2007) and €79,886 (for employees who have joined prior to 1 January 2007 but later than 1 January 2001). These maximum pensionable salaries include the relevant deductible, being €16,969 with regard to the current Employee Pension Plan and the previous Employee Pension Plan 2001, and €20,527 with regard to the previous Employee Pension Plan 2000. The annual accrual amounts to 1.75% for the defined benefit component. Our obligations under the defined contribution component are limited to the amount of our contribution during the period of employment of the relevant employee.

The assets of the Employee Pension Plan and the related pension obligations are held and managed by or on behalf of Stichting Pensioenfonds NIB Capital N.V. (the "**Pension Fund**"). On an annual basis we contribute a fixed pension premium of 20% of the aggregate base salaries to the Pension Fund to cover all obligations under the Employee Pension Plan. All pension premiums (including those of the members of our Managing Board) are paid by us. However, employees who joined us after 1 January 2007 contribute 2% of their pensionable salary as part of the annual fixed pension payments we make. This effectively reduces the net premium payable by us to the Pension Fund.

In the event that the total assets of the Pension Fund are lower than the pension obligations of the Pension Fund under our defined benefit scheme, we are obliged to make an additional premium contribution equal to the amount of such difference. If the total assets of the Pension Fund are more than 100% but lower than 105% of the sum of the total amount of our pension obligations and the investment reserve to be maintained by the Pension Fund, we are obliged to provide additional funding to the Pension Fund in the form of a non-interest bearing subordinated loan for the amount of the difference. Each year one fifth of the principal amount of this subordinated loan will be converted into an additional premium contribution. If the total assets of

the Pension Fund exceed 110% of the sum of the pension obligations and the investment reserve to be maintained, the Pension Fund shall refund the amount of the excess to us subject to prior written approval by the Dutch Central Bank. To the extent there are still outstanding amounts under the subordinated loans, the Pension Fund shall first repay these subordinated loans, subject to all regulatory clearances.

According to the latest annual valuation by independent actuaries, the total assets of the Pension Fund amounted to €141.5 million and thereby exceeded the sum of the pension obligations and the investment reserve to be maintained (an amount of €100.5 million) as per 31 December 2006, resulting in a cover ratio (*dekkingsgraad*) of the Pension Fund of 141%. The liabilities of the Pension Fund are valued annually by independent actuaries and based on that latest valuation and in line with IFRS accounting rules we need to take a provision of €148 million on our balance sheet to meet future pension obligations. Due to changes in the Dutch pension legislation and the collective labour agreement for the banking industry in The Netherlands, the pension plan rules for the Pension Fund have been modified for all employees and, as such, also for those members of our Managing Board who have been participating in that plan. Amongst other things, the legislation prohibited any form of early retirement. As a result of the modifications necessitated by this prohibition, employees are awarded an annual compensation of 2.9% of their base salary up to a maximum of €400,000 plus the deductible mentioned above. In addition, as at 1 January 2007, the Employee Pension Plan's retirement age of 62 changed to 65 as a consequence of legislation that became applicable on 1 January 2005.

Mr. Drost, Mr. Sijbrand, Mr. Van Nieuwenhuizen and Mr. Van Dijkhuizen participate in the Employee Pension Plan.

We operate defined contribution and defined benefit plans in several jurisdictions in which we operate other than the Netherlands. In the United Kingdom and Germany we operate a defined contribution plan. We have no pension liabilities outstanding in these jurisdictions.

In Belgium we operate a defined benefit plan. There are currently no material outstanding liabilities under this plan.

In the U.S. employees are eligible for participation in a 401k plan. This is a programme where, if an employee so chooses, he or she can contribute a percentage of their pre-tax salary, which will then be invested into any number of investment options. We match the first 4% of their contribution. Currently, we have no material liabilities outstanding under this plan.

There is no special pension scheme for our local employees in Singapore. However, we make a monthly contribution to the Central Provident Fund, which is mandatory for all working Singapore citizens and permanent residents.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Shareholders

Introduction

As at the date of this Prospectus, the holders of our ordinary shares consist of (i) New NIBC Luxembourg II S.à.r.l, (ii) NIB Special Investors LP, NIB Special Investors II LP, NIB Special Investors IV-A LP and NIB Special Investors IV-B LP and (iii) the Foundation.

The table below presents the name of each holder of our ordinary shares and their holding prior to and following the Offer. Only the Foundation's shareholding will increase as a result of the Offer. We may have to issue ordinary shares in our capital to NIB Special Investors II L.P. in order to prevent dilution of its interest. The number of ordinary shares to be issued to NIB Special Investors II L.P. , if any, depends on the number of shares issued in relation to the Offer."

	Ordinary shares owned on the date of this Prospectus		Ordinary shares corresponding to Depositary Receipts to be offered in the Offer ¹		Ordinary shares owned immediately after settlement of the Offer ¹	
	Total	%	Total	%	Total	%
New NIBC II Luxembourg S.à.r.l	122,477,136	83.24	0	0	122,477,136	82.40
NIB Special Investors LP	7,870,561	5.35	0	0	7,870,561	5.30
NIB Special Investors II LP	7,390,657	5.02	0	0	7,390,657	4.97
NIB Special Investors IV- A LP	4,509,974	3.07	0	0	4,509,974	3.03
NIB Special Investors IV- B LP	1,656,533	1.13	0	0	1,656,533	1.11
Stichting Administratie-kantoor NIBC Holding	3,224,723	2.19	1,500,000	100	4,724,723	3.18
Totals	147,129,584	100	1,500,000	100	148,629,584	100

(1) Assuming the maximum number of Depositary Receipts is sold in the Offer.

Holdings by members of our Managing Board, our Supervisory Board and our senior management

Members of our Managing Board and our senior management own, as at the date of this Prospectus, 411,982 CDRs, 39,150 RDRs (which includes the 2006 RDRs) and 808,484 options. Each option gives the holder the right to be issued one CDR. As at the date of this Prospectus, 165,563 CDRs and 47,712 RDRs are in the process of being transferred to members of our Managing Board and our senior management.

The members of our Supervisory Board hold neither depositary receipts nor options. However, certain members of our Supervisory Board have an indirect capital interest in our ordinary shares. As at the date of this Prospectus, Mr. Flowers has an indirect interest in 8,183,882 ordinary shares (or 5.6% of our outstanding ordinary shares) and Mr. Sinha has an indirect interest in 759,402 ordinary shares (0.5% of our outstanding ordinary shares).

Acquisition Agreement

In connection with the Consortium Acquisition in December 2005, we, along with ABP and PGGM (our previous shareholders), entered into an agreement with the Consortium. This agreement provided for the sale of all of the outstanding equity interests of NIB Capital N.V., our previous top-tier holding company, to the Consortium for a total purchase price of approximately €1.825 billion. In connection with this acquisition, NIBC Holding N.V. was formed and NIB Capital N.V. became its wholly owned subsidiary. Subsequently, we changed our brand name from 'NIB Capital' to 'NIBC'.

In connection with the Consortium Acquisition, in 2005 we, New NIBC Luxembourg II S.à.r.l, NIB Special Investors LP, NIB Special Investors II LP, NIB Special Investors IV-A LP and NIB Special Investors IV-B LP agreed on our strategy and corporate governance.

Business integration arrangements

In 2005 the Consortium has agreed to support the maintenance of a Tier-1 ratio of at least 10% at the level of NIBC Bank as mentioned in the business integration arrangements.

Related Party Transactions after completion of the Consortium Acquisition

Our Managing Board has identified the related party transactions set out below in respect of the period since completion of the Consortium Acquisition.

Transactions related to employees

All transactions with employees are reported in the tables in note 55 to our 2007 consolidated financial statements in "Index to Financial Statements."

Transactions related to associates

As at 31 December 2007, we had EUR 286 million of loans advanced to our associates (2006: EUR 143 million). Besides interest income on these loans, we earned EUR 1.6 million (2006: 3.0 million) in fees from these associates.

In June 2007, we launched the NIBC European Infrastructure Fund I and raised EUR 330 million of which we provided EUR 100 million. It is our first third party equity fund, and the final close at EUR 500 million is expected in 2008. The fund invests in infrastructure projects in Western Europe. We sold all of our assets related to this activity to the fund and realised a gain on disposal in 2007 in operating income of EUR 9 million. In our financial statements, this fund is reported as an associate.

Transactions involving our shareholders

Significant related party transactions executed in 2007 concern the following:

In June 2006, the general partner of J.C. Flowers II LP (together with its sister vehicle, 'Flowers Fund II'), an investment fund managed by an affiliate of J.C. Flowers & Co., accepted a USD 100 million capital commitment from us. The management fee and the profits interest otherwise payable by limited partners in such fund have been waived with respect to the investment by us. In addition, we will receive a portion of the profits interest payable to an affiliate of J.C. Flowers & Co. by investors in Flowers Fund II, and the management fee payable to J.C. Flowers & Co. by Flowers Fund II, in each case based on the percentage of aggregate capital commitments to Flowers Fund II represented by the capital commitment of us. In 2007, we earned fees of EUR 1.2 million (2006: EUR 2.7 million) relating to this transaction. Investment advisory firm J.C. Flowers & Co., receives a management fee from Flowers Fund II in consideration for acting as investment adviser to Flowers Fund II. We perform fund-raising activities for this fund for which a placement fee is received.

One member of our Managing Board and some of our employees have personally invested in Flowers Fund II as limited partners.

Our U.S. sub-prime related portfolio was sold on 24 August 2007 to a company controlled by our shareholders of for USD 528 million. The acquisition by that company was partially funded by USD 248 million from us advanced in exchange for preference shares in the company, which were subsequently distributed by us to our shareholders as a dividend. During 2007, we recognised a pre tax trading loss of EUR 124 million on this portfolio (2006: nil). As of 24 August 2007, we are no longer exposed to U.S. sub-prime residential mortgage securities.

We supported the bid of J.C. Flowers together with J.P. Morgan and Bank of America to acquire SLM Corp (Sallie Mae), the U.S. student loan company. We committed USD 75 million to the Sallie Mae acquisition, of which about half is syndicated. Through the SBU Principal Investments, we subscribed to a further USD 20 million co-investment with J.C. Flowers. We have a commitment of USD 100 million in the J.C. Flowers II LP, of which at 31 December 2007 USD 25 million was drawn. J.C. Flowers subsequently invoked the 'material adverse effect' clause and Sallie Mae responded with legal proceedings. In January 2008, Sallie Mae agreed to cease its pending lawsuit against J.C. Flowers and the co-investors. In addition, the parties have agreed to terminate the merger agreement. The buyers are not and will not be obligated to make any payment of any kind to Sallie Mae, which means that we have no Sallie Mae-related exposure.

Loan from NIBC Bank to the Pension Fund

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

DESCRIPTION OF SHARE CAPITAL, THE DEPOSITARY RECEIPTS AND CORPORATE GOVERNANCE

General

We are NIBC Holding N.V., a limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands on 9 December 2005. We are registered with the Trade Register of the Chamber of Commerce and Industries for Haaglanden under number 27282935. Our corporate seat is in The Hague, The Netherlands. Our business address is Carnegieplein 4, 2517 KJ, The Hague, The Netherlands (Telephone number Investor Relations & Corporate Communications: +31 70 342 5625).

We were incorporated by New NIBC Luxembourg, which has its business address at 20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg, on 9 December 2005 in connection with the Consortium Acquisition. On 6 March 2007, a legal merger became effective between us as surviving entity and our wholly-owned subsidiary NIBC N.V. as disappearing entity. Consequently, NIBC N.V. has ceased to exist and we now directly hold all the outstanding shares in the share capital of NIBC Bank, NIBC Investment Management N.V. and NIBC Investments N.V. For more information on our organisational structure, see "General Information – Organisational Structure."

When we refer to our Articles of Association in this Prospectus, we refer to our articles of association which are in force at the date of this Prospectus and are dated 7 June 2007.

We have adopted the large company regime (*structuurregime*) set out in sections 2:152 through 2:162 and 2:164 of the Dutch Civil Code (the "**Large Company Regime**").

Set out below is a summary of certain relevant information concerning our share capital, the Depositary Receipts, certain significant provisions of Dutch corporate law and a brief summary of certain provisions of our Articles of Association. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, our Articles of Association and the relevant provisions of Dutch law as in force on the date of this Prospectus. Our Articles of Association are available, in Dutch and English, at our registered offices in The Hague during regular business hours. Our Articles of Association are also available in English on our website www.nibc.com.

Corporate Purpose

Pursuant to Article 2 of our Articles of Association, our corporate purpose is to participate in, acquire any other interest in, administer and manage, provide services to, finance, furnish guarantees in any manner for or to commit itself for the obligations of and supervise enterprises which are active in the field of:

- the carrying on of banking, insurance, securities, leasing, consumer or commercial finance or other financial services businesses (including investment banking, merchant banking, corporate finance, the furnishing of capital and other financing funds and information technology businesses or real estate businesses related to financial services) among others by granting credits, granting money loans and acting as an intermediary and – whether or not in their own name – acting as an executive body in the provision of any funds by the Dutch government or by any other public bodies, intended for economic development;
- the furnishing of, the participating in and the restructuring and reissuing of risk capital (including also ordinary shares or preference shares and subordinated convertible loans), including also the participating in and administering of private equity funds, at their own expense or at the expense of third parties;

- capital management, including also capital management in the field of mortgage and banking credit portfolios, project financing and structured finance; and
- the giving of advice, the making of analyses and the conducting of market surveys and the provision of commercial services (including financial services for consumers) with regard to the above-mentioned fields.

Share Capital

Authorised Share Capital and Issued Share Capital

As at the date of this Prospectus, our authorised share capital (*maatschappelijk kapitaal*) amounts to €500 million and is divided into 500 million ordinary shares, each with a nominal value of €1. Our issued share capital prior to the Offer is 147,129,584, consisting of all fully paid up shares. As we are a Netherlands company, issuances of our shares are governed by Netherlands law.

As at the date of our incorporation, we had 45,000 ordinary shares issued and outstanding. As part of the Consortium Acquisition, the number of issued and outstanding ordinary shares increased to 101,150,685 ordinary shares. Thereafter, we have issued an aggregate number of 1,229,135 ordinary shares to the Foundation as part of our management and employee participation plan NIBC Choice and 22,526 ordinary shares to NIB Special Investors II LP. Immediately prior to the Offer, we will have 147,129,584 ordinary shares issued and outstanding. This figure includes the €400 million new cash equity we raised in the first quarter of 2008.

The following table presents information about our share capital over the period from 31 December 2005 until 31 December 2007.

	As at 31 December		
	2007	2006	2005
Number of ordinary shares authorised.....	500,000,000	500,000,000	500,000,000
Number of ordinary shares issued	102,783,356	102,402,346	101,150,685

Form and Transfer of Ordinary Shares

All our ordinary shares are in registered form. The Company keeps the share record of the ordinary shares.

Currency of Ordinary Shares

All of our ordinary shares are issued in the euro currency.

Issue of Ordinary Shares

Our Articles of Association provide that we may issue ordinary shares, or grant rights to subscribe for such ordinary shares, pursuant to a resolution of our General Meeting of Shareholders

Our Articles of Association provide that our General Meeting of Shareholders may delegate the authority to issue ordinary shares, or grant rights to subscribe for ordinary shares, to our Managing Board. Pursuant to our Articles of Association and Dutch law, the period of delegation may not exceed five years, but may be renewed by a resolution of our General Meeting of Shareholders for periods of up to five years. If not otherwise stated in the resolution approving the delegation, such authority is irrevocable. The resolution delegating such authority to our Managing Board must specify the number of ordinary shares which may be issued and, if applicable, any conditions to the issuance.

No resolution of our General Meeting of Shareholders or our Supervisory Board is required for an issue of ordinary shares pursuant to the exercise of a previously granted right to subscribe for ordinary shares.

Pre-emption Rights

Dutch law and our Articles of Association generally give shareholders pre-emption rights to subscribe on a pro rata basis for any issue of new ordinary shares or, upon a grant of rights, to subscribe for ordinary shares. Exceptions to these pre-emption rights include: (i) the issue of ordinary shares and the grant of rights to subscribe for ordinary shares to our employees, (ii) the issue of ordinary shares and the grant of rights to subscribe for ordinary shares in return for non-cash consideration, and (iii) the issue of ordinary shares to persons exercising a previously-granted right to subscribe for ordinary shares.

A shareholder has the legal right to exercise pre-emption rights for at least two weeks after the date of the announcement of the issue or grant. However, our General Meeting of Shareholders, or our Managing Board if so designated by our General Meeting of Shareholders, may restrict or exclude pre-emption rights. A resolution by our General Meeting of Shareholders to delegate to our Managing Board the authority to exclude or restrict pre-emption rights requires a majority of at least two-thirds of the valid votes cast at the general meeting of shareholders if less than half of the issued and outstanding share capital is present or represented. An absolute majority is sufficient if more than half of the issued and outstanding share capital is present or represented. If not otherwise stated in the resolution approving delegation, such authority is irrevocable. The resolution by our General Meeting of Shareholders to delegate the authority to exclude or restrict pre-emption rights must be for a fixed period not exceeding five years and is only possible if our Managing Board is simultaneously designated as the corporate body authorised to issue ordinary shares. If our General Meeting of Shareholders has not delegated this authority to our Managing Board, our General Meeting of Shareholders itself is the corporate body authorised to restrict or exclude pre-emption rights.

Under the Foundation's conditions of administration, the holders of Depositary Receipts have similar pre-emption rights as our shareholders. Consequently, the Foundation will exercise the pre-emption rights attached to our ordinary shares underlying the Depositary Receipts of those holders of Depositary Receipts who exercised their pre-emption rights. Those holders will receive Common Depositary Receipts for the newly-issued ordinary shares.

Reduction of Share Capital

Our General Meeting of Shareholders may resolve to reduce our issued share capital by cancelling ordinary shares or by amending our Articles of Association to reduce the nominal value of the ordinary shares. Any resolution to cancel ordinary shares may only be adopted in relation to ordinary shares we hold ourselves and requires a resolution of our General Meeting of Shareholders which is adopted by a majority of at least two-thirds of the valid votes cast if less than half of the issued and outstanding share capital is present or represented at the meeting. If a reduction of share capital is effected through partial repayment, holders of ordinary shares will receive equal amounts on their ordinary shares, pro-rata to their shareholdings.

Acquisition of Ordinary Shares in Our Share Capital

We may acquire our own fully paid ordinary shares or depositary receipts issued for our ordinary shares at any time for no consideration (*om niet*), or subject to certain provisions of Dutch law and our Articles of Association if (i) our shareholders' equity less the payment required to make the acquisition does not fall below the sum of called-up and paid-in share capital and any statutory reserves, and (ii) we and our subsidiaries would thereafter not hold ordinary shares or hold a pledge over ordinary shares with an aggregate nominal value exceeding 10% of our issued and outstanding share capital.

Other than those ordinary shares or depositary receipts for our ordinary shares acquired for no consideration, we may only acquire our ordinary shares or depositary receipts with the prior approval of our Supervisory Board, subject to authorisation by our General Meeting of Shareholders. Authorisation by our General Meeting of Shareholders to acquire our ordinary shares or depositary receipts for our ordinary shares must specify the number, the price range and the manner in which they may be acquired. Such authorisation may not be valid for more than 18 months. Authorisation is not required for the acquisition of our ordinary shares or depositary receipts in order to transfer them to our employees.

Any ordinary shares or depositary receipts for our ordinary shares we hold in our own capital may not be voted on or counted for voting quorum purposes and do not give us a right to any distribution.

Anti-Takeover Measures

Our Articles of Association do not contain any anti-takeover measures (*beschermingsmaatregelen*).

Dividends and Other Distributions

We may only make dividend and other distributions to our shareholders and holders of Depositary Receipts in so far as our shareholders' equity exceeds the sum of the called-up and paid-in share capital plus the reserves as required to be maintained by Dutch law and our Articles of Association. The profits are at the disposal of our General Meeting of Shareholders for distribution of a dividend or in order to be further added to the reserves or for such other purposes as our General Meeting of Shareholders decides. See "Dividends and Dividend Policy."

We may only make a distribution of dividends to our shareholders after the adoption of our annual financial statements demonstrating that such distribution is legally permitted. However, our General Meeting of Shareholders may resolve to make an interim dividend distribution, or a whole or partial distribution of reserves or other distribution, in so far as our shareholders' equity exceeds the sum of the called-up and paid-in share capital plus the reserves as required to be maintained by Dutch law or our Articles of Association.

Dividends and other distributions are due and payable as from two weeks after their declaration, unless the Managing Board sets a shorter term. A claim for any dividend or other declared distribution lapses after five years from the second day on which such distribution becomes payable. Any dividend or distribution that is not collected within this period reverts to us and is allocated to our general reserves.

General Meetings of Shareholders and Voting Rights

The annual general meeting of shareholders must be held within six months after the end of each financial year in The Netherlands in The Hague, Amsterdam, Rotterdam or Haarlemmermeer (Schiphol Airport). Our financial year coincides with the calendar year. An extraordinary general meeting of shareholders may be convened, whenever our interests so require, by our Managing Board or our Supervisory Board. Shareholders representing at least 10% of our issued and outstanding share capital may, pursuant to Dutch law and our Articles of Association, request that a general meeting of shareholders be convened, specifying the items for discussion. If such meeting is not held within four weeks following such request, the shareholders requesting such meeting are authorised to call such meeting themselves with due observance of the relevant provisions of our Articles of Association. The notice convening any general meeting of shareholders must include an agenda indicating the items for discussion, or it must state that the shareholders or holders of depositary receipts for our ordinary shares may review such agenda at our main offices in The Netherlands or with one or more banks to be indicated in the notice. The explanatory notes to the

agenda shall contain all facts and circumstances that are relevant for the proposals on the agenda. Such explanatory notes will be placed on our website.

Shareholders holding at least 1% of our issued and outstanding share capital may submit agenda proposals for any general meeting of shareholders. Provided we receive such proposals no later than 60 days before the general meeting of shareholders, and provided that such proposal does not conflict with our vital interests, we will have the proposals included in the notice we publish in a national newspaper distributed daily in The Netherlands at least 15 days before the meeting.

Each of our ordinary shares confers the right to cast one vote. Decisions of the General Meeting of Shareholders are taken by an absolute majority, except where Dutch law or our Articles of Association provide for a special majority.

Our major shareholders do not have different voting rights.

See "Management and Supervisory Board – Managing Board – Powers, Composition and Function – Meetings and decision making" for a list of resolutions of our General Meeting of Shareholders that can only be adopted upon a proposal of our Managing Board which is approved by our Supervisory Board.

Annual Financial Statements

Annually, within five months after the end of our financial year (unless our General Meeting of Shareholders has extended this period by a maximum of six months on account of special circumstances), our Managing Board is required to prepare our annual financial statements, which must be accompanied by an annual report and an auditor's report. All Managing Board members and Supervisory Board members must sign our annual financial statements. If any member does not sign our annual financial statements, the reason for this needs to be stated.

Our annual financial statements, the annual report, the advice of our Supervisory Board, and the auditor's report must be made available to our shareholders without charge at our head office in The Hague during regular business hours from the day of the notice convening the annual general meeting of shareholders. Our General Meeting of Shareholders shall be requested to adopt our annual financial statements.

Amendment of our Articles of Association

Our General Meeting of Shareholders may resolve to amend our Articles of Association provided that the Managing Board and Supervisory Board have been consulted on any such resolution.

Dissolution and Liquidation

Under our Articles of Association, we may be dissolved by a resolution of our General Meeting of Shareholders provided that the Managing Board and Supervisory Board have been consulted on any such resolution.

In the event of dissolution, our business will be liquidated in accordance with Dutch law and our Articles of Association and the liquidation shall be effected by our Managing Board under supervision of our Supervisory Board. During liquidation, the provisions of our Articles of Association will remain in force to the extent possible.

Any assets remaining upon completion of the dissolution will be distributed to the holders of our ordinary shares in proportion to the aggregate nominal amount of their ordinary shares.

Large Company Regime in The Netherlands

We are subject to the Large Company Regime. Our Articles of Association comply with the Large Company Regime. Pursuant to the Large Company Regime, our Supervisory Board,

General Meeting of Shareholders and Works Council have more or different powers than these corporate bodies would otherwise have.

For example, pursuant to the Large Company Regime, the members of our Managing Board are appointed and dismissed by our Supervisory Board. See "Management and Supervisory Board - Managing Board – Powers, Composition and Function – Appointment, dismissal and suspension." The members of our Supervisory Board are appointed by our General Meeting of Shareholders on the basis of a nomination by our Supervisory Board. Our Supervisory Board is required to nominate persons recommended by our Works Council with regard to one-third of our Supervisory Board members, unless the Supervisory Board is of the opinion that the person recommended would be unsuitable for performing the duties of a member of our Supervisory Board or that our Supervisory Board will not be properly constituted after an appointment in accordance with such recommendation. Our General Meeting of Shareholders is only entitled to dismiss our Supervisory Board in its entirety for the reason of lack of confidence. See "Management and Supervisory Board – Supervisory Board – Powers, Composition and Function – Appointment, dismissal and suspension."

In addition, our subsidiary NIBC Bank voluntarily subjects itself to the Large Company Regime. The organisation and corporate governance of NIBC Bank is largely identical to our own organisation and corporate governance. While a licensed bank in The Netherlands is required to maintain a two-tier board structure, the Large Company Regime when applied to NIBC Bank allows members of its managing board to be appointed by its supervisory board as opposed to being appointed by, ultimately, our Managing Board.

The composition of our Managing Board and the managing board of NIBC Bank and NIBC Investment Management N.V. is identical. Our supervisory board rules provide that the members of the supervisory board of NIBC Bank are also members of our Supervisory Board. In addition, the approval of our Supervisory Board is required to exercise voting rights attaching to shares in the capital of NIBC Bank or, indirectly, any of its so designated subsidiaries, for the approval of resolutions of NIBC Bank's managing board, the managing board of any of its so designated subsidiaries, or for an amendment of the list of resolutions requiring such prior approval. See also "Management and Supervisory Board – Managing Board – Powers, Composition and Function – Meetings and decision making."

Dutch Corporate Governance Code

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the Tabaksblat Committee, released the Code. The Code contains 21 principles and 113 best practice provisions for managing boards, supervisory boards, shareholders and general meetings of shareholders, as well as financial reporting, auditors, disclosure, compliance and enforcement standards.

Starting in 2004, we began our efforts to comply with the standards of the Code even though we are not legally required to do so. Our corporate governance model is based on constructive and transparent cooperation between our shareholders, our Supervisory Board and its committees, and our Managing Board. This cooperation is laid down in a governance framework of charters. In line with the Code's recommendations, the aforementioned framework of charters has been published on our website www.nibc.com. In addition, all deviations from the best practice provisions are included and explained in our annual financial statements and on our website.

Our Supervisory Board and the committees installed by our Supervisory Board, our Managing Board, and our auditors adhere to our Corporate Governance Code, which is based on the Code. Furthermore, we based our supervisory board rules on our Corporate Governance Code. These rules contain the principles and best practice provisions of our Supervisory Board and its committees, and deal with assignment of duties and responsibilities. The committees of our

Supervisory Board are the Risk Policy Committee, with a sub-committee for the purposes of related party transactions, the Audit and Compliance Committee, the Remuneration and Nominating Committee and the Strategic Committee. See also "Management and Supervisory Board – Supervisory Board – Supervisory Board Committees."

We support and apply the principles of the Code and will continue to apply the Code. We partly comply with the following best practices and principles as per 31 December 2007:

Best practice provision II.2.1 through II.2.3, which relate to depositary receipts and options granted to members of the Managing Board. In deviation from best practice provisions II.2.1 and II.2.2, the existing option plan described in note 55 provided for the grant of options of which neither the grant nor the exercise was conditional upon realising certain performance criteria. In deviation from best practice provision II.2.3, depositary receipts have been awarded which may be disposed of by the members of the Managing Board within five years from the grant thereof. The 2006, 2007 and 2008 restricted depositary receipts have a vesting period of five years;

Best practice provision III.2.1 which provides that the members of a Supervisory Board should be independent, except for one member. We currently have a Supervisory Board consisting of nine members, of which two (Mr. J.C. Flowers and Mr. R.S. Sinha) do not meet the independence criteria contained in the Code. Although three other members of the Supervisory Board have relationships with investors in the Consortium (Mr. N.W. Hoek, Mr. A. de Jong and Mr. D. Rümker), these three members, as well as the Chairman of the Supervisory Board (Mr. J.H.M. Lindenberg) and three members nominated by the Employees Council (Mr. W.M. van den Goorbergh, Mr. C.H. van Dalen and Mr. A.H. Veenhof) meet the independence criteria mentioned in the Code. The Supervisory Board rules adopted by the Supervisory Board provide that certain important decisions of the Supervisory Board require a simple majority including the supportive vote of at least one of the members of the Supervisory Board who has not been nominated by the General Meeting (i.e. Mr. W.M. van den Goorbergh, Mr. C.H. van Dalen and Mr. A.H. Veenhof). If such a resolution does not have the supportive vote of such a member of the Supervisory Board, a new Supervisory Board meeting will be convened on not less than a 90 days notice, in which second meeting the Supervisory Board meeting will resolve on the relevant matter by a simple majority. In this connection, the authority to approve a material transaction with an affiliated party has on 12 December 2006 been delegated to a subcommittee of the Risk Policy Committee of the Supervisory Board consisting of Messrs. Van den Goorbergh and Lindenberg;

Principle III.5 and related best practice provisions III.5.10 through III.5.13, which provides that a Supervisory Board of more than four members should establish a separate Audit Committee, a Remuneration Committee and a Selection and Nominating Committee. We have combined the Remuneration Committee and the selection and Nominating Committee in a combined Remuneration & Nominating Committee, which performs the tasks attributed by the Code to the Remuneration Committee, as well as the selection and Nominating Committee;

Best practice provisions IV.4.1 through IV.4.3, which relate to the annual publication on our website of information relating to our voting policies as shareholder of listed companies, and the execution thereof. It is not our policy to acquire shares in listed companies. Such acquisitions may occur occasionally as a side effect of transactions. We would not want to emphasize its limited ownership of shares in listed companies and has therefore not formulated a voting policy in respect of such shares;

We apply best practice provision II.2.10, which provides that the remuneration report of a Supervisory Board should contain an overview of the remuneration policy including a description of performance criteria, insofar as the description of the performance criteria does not reflect commercially sensitive information;

We consider to be in compliance with best practice provision III.7.2, which provides that any investment by a supervisory board member in shares of the company on whose supervisory board he serves is a long term investment, as it believes that ordinary shares in its capital held, directly or indirectly, by Supervisory Board members are held by such members only by way of long term investment.

Qualified Holding Within the Meaning of the Financial Supervision Act

Under the Financial Supervision Act, any person who holds or wishes to acquire or increase a qualified holding in us, or exercise any voting power in connection with such holding (each, a "**Regulated Act**"), is required to obtain a prior declaration of no-objection from the Dutch Central Bank or, if we are considered one of the five largest banks of The Netherlands, the Dutch Minister of Finance. For these purposes, a qualified holding is defined as the direct or indirect ownership of 10% or more of the issued share capital, the ability to exercise, directly or indirectly, more than 10% of the voting rights, or the ability to exercise a comparable degree of control. Non-compliance with these obligations is an economic offence and may lead to criminal prosecution.

A declaration of no-objection will be granted, unless:

- the Dutch Central Bank is of the opinion that the Regulated Act would or could lead to a conflict with sound and prudent banking policy;
- the Dutch Central Bank is of the opinion that, as a consequence of the Regulated Act, a group or part of a group could be formed with such poor corporate controls that it would impede the adequate exercise of supervision; or
- the Dutch Central Bank or the Minister of Finance is of the opinion that the Regulated Act would or could lead to an undesirable development of the Dutch financial sector.

The declaration of no-objection may be subject to restrictions or covenants.

If a person acquires or increases a qualified holding without having obtained a declaration of no-objection, he will be obliged to cancel the transaction within a period to be set by the Minister of Finance or the Dutch Central Bank unless the person cures the offence and obtains a declaration of no-objection. The Minister of Finance or the Dutch Central Bank may request the District Court in The Hague to annul any of our resolutions that have been passed in a meeting in which such person exercised its voting rights, if such resolution would not have been passed or would have been passed differently if such person would not have exercised his voting rights. The District Court will not annul the resolution if the relevant person obtains a declaration of no-objection prior to the decision of the court.

The Depositary Receipts

The shares issued by the Company to the Foundation in relation with the Offer will be held in trust (*gehouden ten titel van beheer*) by the Foundation. The Foundation will be the actual shareholder and thus entitled to exercise the controlling rights attached to such shares. The Foundation shall exercise at its own discretion all voting rights and all related rights of the shares, taking into account the provisions of statute, the Articles of Association, the articles of association

of the Foundation and the conditions of administration of the Foundation. Holders of Depositary Receipts do not have the right to instruct the Foundation to vote on the shares.

The Foundation shall claim for dividends and all other distributions on shares which the Foundation shall make available subject to statutory withholding such dividends or distributions immediately upon receipt to all holders of Depositary Receipts.

Holders of Depositary Receipts further have the following rights:

- the right to attend and address our general meeting of shareholders;
- the right to inspect our annual accounts and our annual report and obtain a copy thereof free of charge;
- one or more holders of Depositary Receipts representing at least 10% of our issued and outstanding share capital may request that a general meeting of shareholders be convened, specifying the items for discussion;
- holders of Depositary Receipts representing at least 1% of our issued and outstanding share capital may submit agenda proposals for any general meeting of shareholders; and
- payment of final distributions upon shares in case of the our liquidation shall be paid by the Foundation to holders of Depositary Receipts against redemption of the Depositary Receipts.

See "- General Meetings of Shareholders and Voting Rights" and "- Annual Financial Statements" for a more detailed description of these rights.

Holders of Depositary Receipts representing at least 1% of our issued and outstanding share capital have the right to file an application with the Enterprises Division of the Court of Appeal in Amsterdam to undertake an inquiry into the policy and conduct of the Company.

The relationship between the Foundation and the holders of Depositary Receipts is laid down in the Administration Conditions 2007. A person can only be a holder of Depositary Receipts if (i) he is or was employed by our group (including functioning as managing director (*statutair directeur*) or (ii) he is a third party, who has the prior written approval of the managing board of the Foundation and of our Managing Board and our Supervisory Board and which may include the Foundation and the Company.

Holders of Depositary Receipts cannot trade in the Depositary Receipts amongst each other or with third parties. Pursuant to the Administration Conditions 2007 the Depositary Receipts can only be transferred to either the Foundation or the Company. Such transfer may only take place in accordance with the Administration Conditions 2007 during an open period and after approval of our Supervisory Board has been obtained. An open period generally is the 21-day period following the date of approval of our annual, semi-annual or quarterly results. The Supervisory Board has up until the date of this Prospectus never approved such a transfer to either the Foundation or the Company.

In certain circumstances, such as inter alia the holder of Depositary Receipts ceasing to be an employee or the bankruptcy of a holder of Depositary Receipts, the Foundation may at its own discretion demand transfer of the Depositary Receipts against payment of an amount representing fair market value applicable at the time of the relevant event. Up until the date of this Prospectus the Foundation has exercised this right a number of times.

For the benefit of the holders of Depositary Receipts, the Foundation has entered into an agreement with New NIB GP LP. The agreement, taken together with the Administration Conditions 2007, provides that the holders of Depositary Receipts will have the right to participate

pro rata or, in case of a change of control, to dispose of all of their Depositary Receipts in the event of a disposal of interests in us by the Consortium. A change of control is defined as (i) the disposal of a majority of the economic interest in us or NIBC Bank, (ii) a person acquiring 50% or more of the voting rights attached to the ordinary shares of the relevant entity or (iii) a person having the right to appoint 50% or more of the members of our Managing Board or Supervisory Board or those of the relevant entity. In the event of an admission to trading of any shares of NIBC Bank to trading on any regulated market or other securities exchange, the administration arrangements regarding the Depositary Receipts shall automatically terminate and automatic conversion into ordinary shares in the share capital of the Company shall occur.

Where upon an issue of shares, shareholders have a right of pre-emption, the Foundation shall set a time period in which the holders of Depositary Receipts must give notice to the Foundation whether or not they wish to exercise such pre-emption rights. Depositary Receipts issued to the holders of Depositary Receipts and of Restricted Depositary Receipts further to the exercise by such holders of their pre-emption rights upon an issue of new shares to shareholders, shall not be Restricted Depositary Receipts.

According to article 3:259 section 2 of the Dutch Civil Code the holders of Depositary Receipts obtain a jointly held right of pledge on the shares held by the Foundation if the shares are in registered form and the Depositary Receipts are issued with our cooperation. This statutory right of pledge intends to safeguard the proprietary interest of the holders of Depositary Receipts in the event the Foundation does not fulfil its obligations towards the holders of Depositary Receipts. According to article 3:259 section 3 of the Dutch Civil Code, the holders of Depositary Receipts can only exercise their right of pledge and settle their claim out of the proceeds in the event the Foundation does not fulfil its obligations towards the holders of Depositary Receipts (i.e. payment of amounts due). In this event, any holder of Depositary Receipts can apply to the Subdistrict Sector of the Amsterdam District Court and request the appointment of an administrator (*bewindvoerder*) who will provide for the sale of the relevant shares and the distribution of the proceeds. In the event not all holders of Depositary Receipts consent to the sale of the shares, only a proportionate part of the shares will be sold and the proceeds of such sale will be distributed amongst the holders of Depositary Receipts who did consent to the sale of the shares.

TAXATION

Set out below is a general summary of certain Dutch tax consequences in connection with the Offer. If you are not a resident of The Netherlands, we strongly advise you to seek appropriate tax advice on your specific situation.

Taxation in The Netherlands

General

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, ownership and transfer of the Depositary Receipts or of the underlying shares (not including Restricted Depositary Receipts) by private individuals who are employed by us. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of Depositary Receipts or underlying shares, who may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of Depositary Receipts or underlying shares. It does specifically not describe the tax consequences for individuals who acquire Depositary Receipts or underlying shares as income from employment or otherwise against conditions that differ from conditions which would apply if the Depositary Receipts or the underlying shares were sold to unrelated market parties.

The summary is based upon the tax laws of The Netherlands as in effect on the date of this Prospectus, including regulations, rulings and decisions of The Netherlands and its taxing and other authorities available on or before such date and now in effect. These tax laws are subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend investors and shareholders to consult their own tax advisers as to the Dutch or other tax consequences of the acquisition, ownership and transfer of Depositary Receipts or underlying shares, including, in particular, the application to their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than The Netherlands in connection with the acquisition, ownership and transfer of Depositary Receipts or the underlying shares.

Withholding Tax

Dividends paid on the Depositary Receipts and underlying shares to a holder of such Depositary Receipts or underlying shares are generally subject to a withholding tax of 15% imposed by The Netherlands. The term "dividends" for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of Depositary Receipts and underlying shares or, generally, consideration for the repurchase of Depositary Receipts and underlying shares in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the nominal value of shares underlying the Depositary Receipts issued to a shareholder or an increase of the nominal value of shares underlying the Depositary Receipts, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognised for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the

general meeting of our shareholders has resolved in advance to make such a repayment and provided that the nominal value of the shares underlying the Depositary Receipts concerned has been reduced by a corresponding amount by way of an amendment of our articles of association.

A holder of Depositary Receipts or underlying shares who is, or who is deemed to be, a resident of The Netherlands can generally credit the withholding tax against his Dutch income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax liability, provided certain conditions are met, unless such holder is not considered to be the beneficial owner of the dividends. A holder of Depositary Receipts or underlying shares, who is the recipient of dividends will not be considered the beneficial owner of the dividends for this purpose if, as a consequence of a combination of transactions, a person other than the recipient wholly or partly benefits from the dividends, whereby such other person retains, directly or indirectly, an interest in the Depositary Receipts or underlying shares on which the dividends were paid and that other person is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the recipient (dividend stripping).

With respect to a holder of Depositary Receipts or underlying shares, who is not and is not deemed to be a resident of The Netherlands for purposes of Dutch taxation (including, if he is an individual, a holder who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation) and who is considered to be a resident of The Netherlands Antilles or Aruba under the provisions of the Tax Convention for the Kingdom of The Netherlands (*Belastingregeling voor het Koninkrijk*), or who is considered to be a resident of a country other than The Netherlands under the provisions of a double taxation convention The Netherlands has concluded with such country, the following may apply. Such holder may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Convention for the Kingdom of The Netherlands or such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax.

The concept of dividend stripping, described above, may also be applied to determine whether a shareholder who is not and is not deemed to be a resident of The Netherlands may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax.

Generally, the dividend withholding tax will not be borne by us, but will be withheld by us from the gross dividends paid on the shares underlying the Depositary Receipts.

Taxes on Income and Capital Gains

General

The description of taxation set out in this section of this Prospectus is not intended for any holder of the Depositary Receipts or underlying shares, who:

- is an individual and for whom the income or capital gains derived from the Depositary Receipts or underlying shares are attributable to employment activities the income from which is taxable in The Netherlands; or
- holds a substantial interest, or a deemed substantial interest in us.

Generally a holder of Depositary Receipts or underlying shares will have a substantial interest in us if he holds, alone or together with his partner, whether directly or indirectly, the ownership of, or certain other rights over, Depositary Receipts or underlying shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire Depositary Receipts or shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation

proceeds. A holder of Depositary Receipts or underlying shares will also have a substantial interest in us if one of certain relatives of that holder or of his partner has a substantial interest in us. If a holder of Depositary Receipts or underlying shares does not have a substantial interest, a deemed substantial interest will be present if (part of) a substantial interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Residents of The Netherlands

An individual who is resident or deemed to be resident in The Netherlands, or who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation (a Dutch resident individual) and who holds Depositary Receipts or underlying shares is subject to Dutch income tax on income and/or capital gains derived from the Depositary Receipts or underlying shares at the progressive rate (up to 52%) if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Depositary Receipts or underlying shares are attributable; or
- (ii) the holder derives income or capital gains from the Depositary Receipts or underlying shares that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*).

If conditions (i) and (ii) mentioned above do not apply, any holder of Depositary Receipts or underlying shares who is a Dutch resident individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the Depositary Receipts or underlying shares. The deemed return amounts to 4% of the average value of the holder's net assets in the relevant financial year (including the Depositary Receipts or underlying shares) insofar as that average exceeds the exempt net asset amount (*heffingvrij vermogen*). The deemed return is taxed at a flat rate of 30%.

Non-Residents of The Netherlands

A person who is not a Dutch resident individual (a "non-Dutch resident individual") who holds Depositary Receipts or underlying shares is generally not subject to Dutch income tax (other than dividend withholding tax described above) on the income and capital gains derived from the Depositary Receipts or underlying shares, provided that:

- such non-Dutch resident individual does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to an interest in such enterprise (other than as an entrepreneur or a holder of securities) which enterprise is, in whole or in part either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Depositary Receipts or underlying shares are attributable or deemed attributable; and
- such non-Dutch resident individual does not derive income or capital gains from the Depositary Receipts or underlying shares that are taxable as benefits from "miscellaneous activities" in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

Gift, Estate or Inheritance Taxes

No Dutch gift, estate or inheritance taxes will be levied on the transfer of Depositary Receipts or underlying shares by way of gift by or on the death of a holder, who neither is nor is deemed to be a resident of The Netherlands for the purpose of the relevant provisions, unless:

- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions;

- the Depositary Receipts or underlying shares are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in The Netherlands; or
- the holder of such Depositary Receipts or underlying shares is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise such Depositary Receipts or underlying shares are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of The Netherlands if he has been a resident in The Netherlands at any time during the 12 months preceding the date of the gift.

For purposes of Dutch gift estate and inheritance tax, if an individual transfers the Depositary Receipts or underlying shares by way of a gift while he is not and is not deemed to be a resident of The Netherlands and dies within 180 days after the date of such gift, while being resident or deemed to be resident in The Netherlands, such Depositary Receipts or underlying shares are construed as being transferred on the death of such holder.

Value Added Tax

There is no Dutch value added tax payable by a holder of Depositary Receipts or underlying shares in respect of payments in consideration for the sale of the Depositary Receipts or underlying shares.

Other Taxes and Duties

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands by a holder of Depositary Receipts or underlying shares in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Depositary Receipts or underlying shares.

Residence

A holder of Depositary Receipts or underlying shares will not become or be deemed to become a resident of The Netherlands solely by reason of holding these Depositary Receipts or underlying shares.

THE OFFER

Introduction

The Offer consists of an offering of up to 1,500,000 Depositary Receipts by the Foundation exclusively to Offerees. The actual number of Depositary Receipts sold may be lower than the maximum number, depending on the interest in the Offer by Offerees.

In order to correct the dilution as a result of the recent issuance of ordinary shares of the Company with a value of €400 million, Current Holders may subscribe for Depositary Receipts up to 42.79% of their current holding, rounded to the closest whole number.

Separately, as an incentive, employees of the Company and its subsidiaries are given the opportunity to subscribe for Depositary Receipts. To the extent that not all 1,500,000 Depositary Receipts are subscribed for by Current Holders, such employees will be allocated Depositary Receipts on a pro rata basis. As the Foundation is bound to an issuance of a maximum of 1,500,000 Depositary Receipts in the Offer, the pro rata share may have to be rounded down. If all 1,500,000 Depositary Receipts are subscribed for by Current Holders, employees will not be allocated any Depositary Receipts under this incentive structure.

Offerees may subscribe for Depositary Receipts between 11 June 2008 at 8:00 a.m. CET and 24 June 2008 at 5:00 p.m. CET. The Depositary Receipts will be allocated on 25 June 2008.

On the Settlement Date, the Company will issue to the Foundation the number of ordinary shares corresponding to the number of Depositary Receipts subscribed to in the Offer and as soon as possible thereafter the same number of Depositary Receipts will be issued by the Foundation to subscribers to Depositary Receipts. Both the ordinary shares and the Depositary Receipts will be issued in the euro currency.

An Offeree subscribes for Depositary Receipts by providing Mr. F-J de Leeuw with a written declaration that he or she is subscribing for Depositary Receipts offered in the Offer. Such declaration shall state the number of Depositary Receipts for which the Offeree subscribes.

Payment for and delivery of the Depositary Receipts is expected to occur on the Settlement Date, which is expected to be 30 June 2008.

We will inform subscribers regarding the results of the Offer on our intranet or by other means, as appropriate, in due course after the end of the Subscription Period.

The timetable for the Offer, as set forth below, may be extended. Any extension of the timetable for the Offer will be announced by us at least one day before the expiration of the original timetable for the Offer. Any extension of the timetable for the Offer will be for a minimum of one full business day.

We expect to bear costs of approximately €100,000 in connection with the Offer, including costs for distribution and publication of the Prospectus.

Timetable

Subject to extension of the timetable for the Offer, the timetable below lists certain expected key dates for the Offer.

Event	Time and Date
Start of Subscription Period	8:00 a.m. CET on 11 June 2008
End of Subscription Period	5:00 p.m. CET on 24 June 2008
Allocation of Depositary Receipts	25 June 2008
Payment for and delivery of Depositary Receipts	30 June 2008

Size of the Offer

The exact number of Depositary Receipts offered in the Offer will be determined by us on the basis of the total amount of subscriptions for Depositary Receipts by Offerees. The exact number of Depositary Receipts offered in the Offer will be determined after termination of the Subscription Period, including any extension, and will be announced by us on our intranet or by other means, as appropriate. We reserve the right to change, prior to the end of the Subscription Period, the maximum number of Depositary Receipts being offered. See "– Change of Number of Depositary Receipts" below.

Offer Price

The offer price is €9.06 per Depositary Receipt.

Subscription Period

Subject to extension of the timetable for the Offer, the subscription period for prospective subscribers commences on 11 June 2008 at 8:00 a.m. CET and ends on 24 June 2008 at 5:00 p.m. CET. In the event of an extension of the Subscription Period, allocation may be advanced or extended accordingly.

Extension

Any extension of the timetable for the Offer will be announced by us on our website or by other means, as appropriate.

Change of Number of Depositary Receipts

We reserve the right to change the maximum number of Depositary Receipts being offered prior to the end of the Subscription Period.

Allocation

Allocation is expected to take place on or about 25 June 2008, subject to extension of the timetable for the Offer. Subscribers to the Offer may receive a smaller number of Depositary Receipts than they applied to subscribe for.

Current Holders will be allocated Depositary Receipts up to 42.79% of their current holding, rounded to the closest whole number.

Employees of the Company and its subsidiaries subscribing under the incentive structure will be allocated Depositary Receipts on a pro rata basis, To the extent that not all 1,500,000 Depositary Receipts are subscribed for by Current Holders, such employees will be allocated Depositary Receipts on a pro rata basis. As the Foundation is bound to an issuance of a maximum of 1,500,000 Depositary Receipts in the Offer, the pro rata share may have to be rounded down. If all 1,500,000 Depositary Receipts are subscribed for by Current Holders, employees will not be allocated any Depositary Receipts under this incentive structure.

Allocation of the Depositary Receipts will be determined by us. Subscribers will be informed by us of the number of Depositary Receipts allocated to them shortly after the allocation of the Depositary Receipts.

Payment and Delivery

Payment for the Depositary Receipts, will take place on the Settlement Date.

Delivery of the Depositary Receipts is expected to take place on or about 30 June 2008 by means of the execution of a notarial deed relating to the issuance of ordinary shares by the Company to the Foundation and the execution of a deed of issue relating to the issuance of Depositary Receipts by the Foundation to subscribers for Depositary Receipts in the Offer.

PLAN OF DISTRIBUTION

On the Settlement date, the Company will issue to the Foundation the number of ordinary shares corresponding to the number of Depositary Receipts subscribed for in the Offer and immediately thereafter the same number of Depositary Receipts will be issued by the Foundation to subscribers of the Depositary Receipts.

The issuance of ordinary shares by the Company will take place by means of the execution of a notarial deed. The issuance of Depositary Receipts by the Foundation will take place by means of the execution of an agreement for the issue of Depositary Receipts between the Foundation, the subscribers of the Depositary Receipts and the Company. The ordinary shares issued by the Company will be registered shares for which no share certificates will be issued.

The Foundation maintains a register or has a register maintained containing the names and addresses of the holders of Depositary Receipts and details of such Depositary Receipts held by them.

The full name of the Foundation is Stichting Administratiekantoor NIBC Holding, a foundation (*stichting*) under the laws of the Netherlands, having its seat at The Hague, the Netherlands. The Foundation was incorporated on 27 December 2005. The address of the Foundation is Carnegieplein 4, 2517 KJ, The Hague, The Netherlands trade register number: 27283424.

SELLING AND TRANSFER RESTRICTIONS

Selling Restrictions

General

No action has been or will be taken in any jurisdiction other than The Netherlands, Belgium, Germany, the UK, Switzerland, Georgia, Singapore, New Zealand and the U.S. that would permit the Offer, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Depositary Receipts in any jurisdiction where action for that purpose is required. Accordingly, the Depositary Receipts may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Depositary Receipts may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Depositary Receipts may only be sold by the Foundation to persons who (i) are or were employed by our group (including functioning as managing director (*statutair directeur*) or (ii) are third parties, who have the prior written approval of the managing board of the Foundation and of our Managing Board and our Supervisory Board. Depositary Receipts are not transferable between holders of Depositary Receipts or third parties. Pursuant to the Administration Conditions 2007 the Depositary Receipts can only be transferred to either the Foundation or the Company. Such transfer may only take place in accordance with the applicable administration conditions during an open period and after approval of our Supervisory Board has been obtained. An open period generally is the 21-day period following the date of approval of our annual, semi-annual or quarterly results. The Supervisory Board has up until the date of this Prospectus never approved such a transfer to either the Foundation or the Company.

Further, in certain circumstances, such as *inter alia* the holder of Depositary Receipts ceasing to be an employee or the bankruptcy of a holder of Depositary Receipts, the Foundation may at its own discretion demand transfer of the Depositary Receipts against payment of an amount representing fair market value applicable at the time of the relevant event. Up until the date of this Prospectus the Foundation has exercised this right a number of times.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "relevant member state"), an offer to the public of any Depositary Receipts which are the subject of the Offer may not be made in that relevant member state (other than the offers contemplated in this Prospectus in The Netherlands once the Prospectus has been approved by the competent authority in such Member State and published in accordance with the Prospectus Directive as implemented in The Netherlands) except that an offer in that relevant member state of any Depositary Receipts may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that relevant member state:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million and (3) an annual net turnover of more than €50 million as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Depositary Receipts shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Depositary Receipts in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and any Depositary Receipts to be offered so as to enable a subscriber to Depositary Receipts to decide to purchase any Depositary Receipts, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" includes any relevant implementing measure in each relevant member state.

INDEPENDENT AUDITORS

The financial statements as of and for the years ended December 31, 2007, December 31, 2006 and December 31, 2005, included in this Prospectus, have been audited by PricewaterhouseCoopers Accountants N.V., independent accountants, as stated in their reports appearing herein. The address of PricewaterhouseCoopers Accountants N.V. is Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, The Netherlands. The partner of PricewaterhouseCoopers Accountants N.V. who has signed the aforementioned auditors' reports is a member of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

PricewaterhouseCoopers Accountants N.V. has given, and not withdrawn, its consent to incorporation by reference of its reports in this Prospectus in the form and context in which they have been referred to.

GENERAL INFORMATION

Available Information

Annually, within five months after the end of our financial year (unless our General Meeting of Shareholders has extended this period by a maximum of six months on account of special circumstances), our Managing Board is required to prepare our annual financial statements, which must be accompanied by an annual report and an auditor's report. All Managing Board members and Supervisory Board members must sign our annual financial statements. If any member does not sign our annual financial statements, the reason for this will be stated.

Our annual financial statements, annual reports, the advice of our Supervisory Board, and auditor's reports as well as our deed of incorporation and our Articles of Association are available to our shareholders and holders of Depositary Receipts without charge at our head office in The Hague during regular business hours from the day of the notice convening the annual general meeting of shareholders.

Copies of our annual financial statements for the years ended 31 December 2007, 31 December 2006 and 31 December 2005 as well as this Prospectus and our Articles of Association and the articles of association of the Foundation may also be obtained free of charge by sending a request in writing to us at our business address:

Carnegieplein 4
2517 KJ The Hague
The Netherlands

Corporate Resolutions

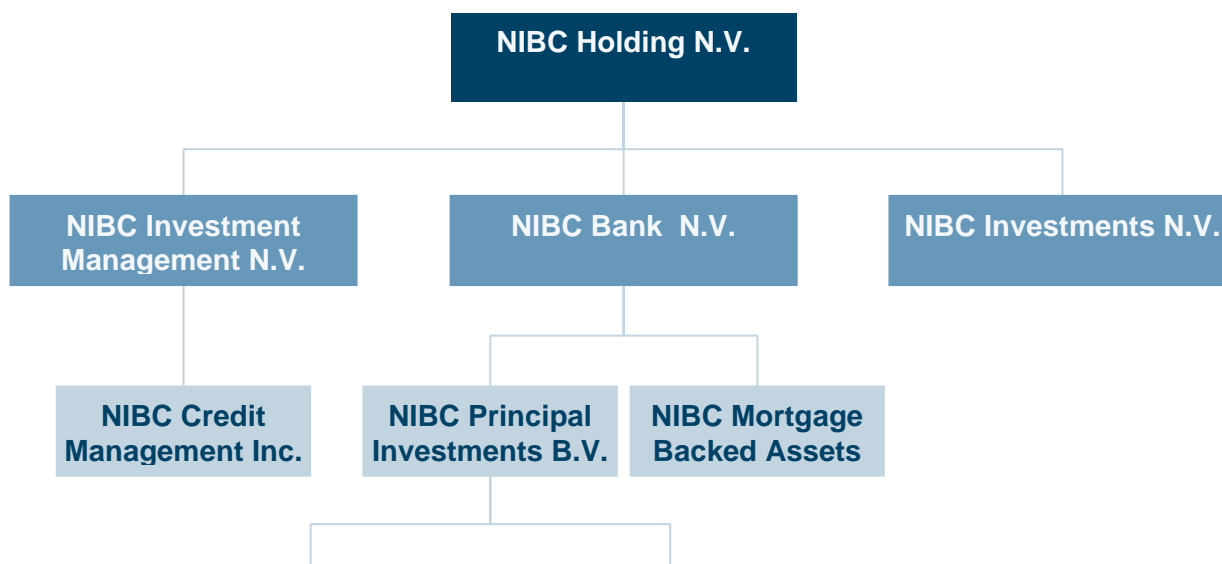
The Offer takes place pursuant to a resolution adopted by our Managing Board on 4 June 2008. The proposal of the Managing Board for the Offer has been approved by our Supervisory Board on 15 May 2008.

No Legal or Arbitration Proceedings

There are no legal, arbitration or governmental proceedings which may have, or have had, significant effects on our financial position or profitability nor, so far as we are aware, are any such proceedings pending or threatened against us.

Organisational Structure

We are a holding company of a number of operating companies. Our most significant subsidiaries and significant holdings are:



**NIBC Principal
Investments Equity**

**NIBC Principal
Investments**

Each of the following significant subsidiaries and significant holdings are, directly or indirectly, 100% owned by NIBC Holding N.V.:

- NIBC Bank N.V.
- NIBC Investments N.V.
- NIBC Investment Management N.V.
- NIBC Credit Management Inc.
- NIBC Principal Investments B.V.
- NIBC Mortgage Backed Assets B.V.
- NIBC Principal Investment Equity B.V.
- NIBC Principal Investment Mezzanine B.V.

Each of the entities listed above have their corporate seat in The Hague and their business address at Carnegieplein 4, 2517KJ, The Hague, The Netherlands, except for NIBC Credit Management Inc., which is a Delaware corporation with its business address at 527 Madison Avenue, 8th Floor, New York, NY 10022, United States of America.

GLOSSARY OF SELECTED TERMS

The following explanations are not intended to be exhaustive definitions, but to assist understanding of certain capitalised terms used in this Prospectus.

ABS	asset backed securities
Administration Conditions 2007	the administration conditions relating to the Depositary Receipts.
AFM	Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>).
Allocation	The process whereby subscribers in the Offer are allocated a number of Depositary Receipts by the Company.
Articles of Association	The articles of association (<i>statuten</i>) of the Company.
AuM	assets under management.
BIS	Bank for International Settlements.
CDOs	collateralised debt obligations.
CDRs	Common depositary receipts.
CLOs	collateralised loan obligations.
CMBSs	commercial mortgage backed securities.
Code	Dutch Corporate Governance Code (<i>Code Tabaksblat</i>).
The Company	NIBC Holding N.V.
The Consortium	A consortium of international financial institutions and investors organised by J.C. Flowers & Co. and ultimately controlled by New NIB Ltd.
The Consortium Acquisition	The purchase of all of the outstanding equity interests of NIB Capital N.V. in December 2005. In connection with this acquisition, the Company was formed and NIB Capital N.V. became its wholly owned subsidiary. Subsequently, we changed our brand name from "NIB Capital" to "NIBC."
CSAs	Credit support annexes.
Current Holders	Persons who own depositary receipts for ordinary shares of the Company at the date of this Prospectus.

The Depositary Receipts	Up to 1,500,000 depositary receipts (<i>certificaten van aandelen</i>) for ordinary shares of the Company to be issued by the Foundation to subscribers to depositary receipts in the Offer, as soon as possible upon the issuance by the Company of ordinary shares of the Company to the Foundation.
Employee Pension Plan	The collective pension arrangement for our employees.
Enterprise Chamber	Enterprise Chamber of the Court of Appeal of Amsterdam.
Financial Supervision Act	Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>).
Fitch	Fitch Ratings Ltd.
FTEs	full-time equivalents.
The Foundation	Stichting Administratiekantoor NIBC Holding.
General Meeting of Shareholders	The general meeting of shareholders of the Company.
Harcourt	Harcourt Investment Consulting, a Swiss based hedge fund manager.
IAS	International Accounting Standards.
IFRS	International Financial Reporting Standards.
J.C. Flowers & Co	J.C. Flowers & Co. LLC.
Large Company Regime	The large company regime (<i>structuurregime</i>) set out in sections 2:152 through 2:162 and 2:164 of the Dutch Civil Code.
Liquidity Event Plan	A liquidity event plan introduced by the former shareholders of NIBC N.V, ABO and PGGM, in 2004.
Managing Board	The managing board of the Company.
MiFID	Markets in Financial Instruments Directive (2004/39/EC).
Moody's	Moody's Investors Service.
New NIBC Luxembourg	New NIBC Luxembourg, S.à.r.l SICAR, our founding entity and a company organised under the laws of Luxembourg.
New NIB Ltd	New NIB Ltd., a company incorporated under the laws of Ireland.

NIBC Bank	NIBC Bank N.V., a subsidiary of the Company.
NIBC Choice	Our deferred compensation plan.
NPD	NIBC Petercam Derivatives N.V.
The Offer	The offering of Depositary Receipts by the Foundation to Offerees (See "The Offer").
Offerees	All persons to whom Depositary Receipts are offered in the Offer.
Offer Price	The Depositary Receipts are offered in this Offer at an offer price of €9.06.
Onca	Onca 2007-1, Ltd., a company incorporated under the laws of the Cayman Islands.
Option Plan	An employee option plan of the Company comprised in NIBC Choice.
Pension Fund	Stichting Pensioenfonds NIB Capital N.V.
PIM	NIBC Private Investment Management N.V., a wholly-owned subsidiary of the Company.
Prospectus	This prospectus.
RAROC	risk adjusted return on capital.
RDRs	depositary receipts with certain restrictions.
Regulated Act	An acquisition or increase of a qualified holding in us, or the exercise of any voting power in connection with such holding.
RMBSs	residential mortgage backed securities.
SBU	Strategic business unit.
Settlement Date	The date on which payment for and delivery of the Depositary Receipts is expected to occur. This date is expected to be on or about 30 June 2008.
SPVs	special purpose vehicles.
Standard & Poor's	Standard & Poor's (a division of McGraw-Hill, Inc).

Subscription Period	The period in which Offerees may subscribe for Depositary Receipts. The subscription period commences on 11 June 2008 at 8:00 a.m. CET and will, subject to extension of the timetable for the Offer, end on 24 June 2008 at 5:00 p.m. CET time.
Supervisory Board	The supervisory board of the Company.
Wealth Management	NIBC Wealth Management, a provider of wealth management services for high net worth individuals.

INDEX TO FINANCIAL STATEMENTS

Our audited financial statements for the twelve month periods ended 31 December 2007, 2006 and 2005, as included in our annual reports 2005, 2006 and 2007 and the 2005, 2006 and 2007 auditor's reports are incorporated by reference into this prospectus. Our results of the first quarter of 2008 as set out on pages 31 through 36 of the press release dated 16 May 2008, which is incorporated by reference into this Prospectus.

Copies of all documents mentioned above can be obtained on our website.