

Girobank N.V.

Consolidated Financial Highlights

December 31, 2009

Contents

Girobank N.V.

Directors' report	3
Consolidated Financial Highlights	5
1.1 Consolidated statement of financial position as of December 31, 2009	6
1.2 Consolidated statement of comprehensive income for the year ended December 31, 2009	7
1.3 Explanatory notes to the consolidated financial highlights for the year ended December 31, 2009	8
1.3.1 Significant accounting policies	8
1.3.2 Investment securities	11
1.3.3 Loans and advances to customers	11
1.3.4 Customers' deposits	12
1.4 Auditors' report	13

Directors' report

Girobank N.V.

The year 2009 was a challenging year worldwide. The USA has known the deepest and longest economic downturn since the great depression that started in 1929. The gross domestic products of the USA contracted from mid-2009 till the third quarter of 2009 following the global economic downturn, sub-prime mortgage crisis and investment bank failures. This situation affected the world economy and resulted in decrease in interest rates globally.

Fortunately, the above described situation did not affect the local economy adversely and demonstrated the strength of the local banking system. Another major development in 2009 was the initiation of the government debt restructuring program. In this respect, the Dutch government started repaying outstanding local government debts and the local government stopped issuing securities in April 2009. This situation put a downward pressure on local interest rates and forced local commercial banks to become more efficient and competitive to achieve expected results.

Anticipating the abovementioned situation, Girobank N.V. ('Girobank') chose to focus her strategy on fortifying her solvency position rather than growing in 2009. The bank succeeded in this strategy; Girobank managed to increase her operating income by ANG 7.3 million (13%) despite the economic challenges and generated the highest profit in her history. The bank generated a record net result before taxes and before other comprehensive income of ANG 15.2 million, which resulted in an increase of 7% in the net result after taxes and before other comprehensive income. The total assets of Girobank grew by ANG 38.0 million (3%) in this period.

In our effort to continuously improve the service to our customers, Girobank opened two new branches in Curaçao: La Confianza branch and Renaissance branch. La Confianza branch, which is strategically located in the heart of downtown Punda, immediately became one of Girobank's most visited branches. Furthermore, in order to meet the high demand of the local community in Bonaire, Girobank also managed to open her first branch on this island.

In addition to expanding our physical presence, Girobank is the first bank in the Netherlands Antilles to introduce mobile banking using state of the art technology. The first phase of the mobile banking service, which allows our clients to do balance inquiry and receive transaction alerts through their mobile phone, was launched in the last quarter of 2009. It is the intention to continuously add more features to the mobile banking service, such as bill payments, in order to enable our clients to perform most banking transactions from their mobile phones.

As a good corporate citizen, our community has our commitment to continue investing, just as we did in 2009, in several non-profit initiatives such as sports activities for our youth. Girobank will continue investing in healthcare, since this is an area that requires the attention of any responsible citizen.

We will not forget how important nature is and will invest in order to help preserve the unique flora and fauna in our islands. Fundashon “Bo Motivashon, nos Invershon” will continue granting scholarships to our students, in order to help create leaders for the future, since we can only achieve this through education.

We see 2010 as an exciting year, a year in which we have to remain competitive in order to face the challenges and take advantage of the opportunities in front of us. The US economy has started to show some signs of recovery. The local market is expected to become more liquid in the foreseeable future, as the Dutch Government repays maturing local government debts. Local commercial banks may face challenges trying to reinvest the funds resulting from the repayment of the government bonds currently in their portfolio, in assets with similar risk-return ratio. This is expected to result in increasing competition in the local financial sector; Girobank is prepared to face this challenge.

In conclusion: we are confident that the key to our success is offering the best quality of service to our clients. Therefore, we will put all our efforts together to continuously improve our services and offer products that satisfy the needs of our clients.

Last, but certainly not least, we would like to extend our heartfelt gratitude to our shareholders and Supervisory Directors for their support; to our employees for their outstanding effort and commitment to the bank; and especially to our reason for existence - our clients- whose confidence and support are of immense value and essential for the growth and profitability of our bank.

On behalf of the Managing Board of Girobank N.V.,
Curaçao, April 2010

Eric L.Garcia

Manuel A. Suená

Consolidated Financial Highlights

Consolidated Financial Highlights

1.1 Consolidated statement of financial position as of December 31, 2009

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2009	2008
	ANG	ANG
Assets		
Cash and due from other banks	451,862	496,977
Investment securities	435,647	334,325
Loans and advances to customers	398,533	401,927
Intangible assets	535	902
Bank premises and equipment	11,523	10,499
Customers' liability under acceptances	67,755	79,122
Deferred tax assets	-	3,378
Other assets	11,765	12,534
<i>Total assets</i>	1,377,620	1,339,664
Liabilities and equity		
Customers' deposits	1,102,759	1,062,059
Due to other banks	83,807	79,999
Acceptances outstanding	67,755	79,122
Profit tax payable	64	89
Deferred tax liabilities	538	-
Other liabilities	19,474	27,576
<i>Total liabilities</i>	1,274,397	1,248,845
Equity		
Issued capital	46,500	46,500
Other reserves	16,171	15,264
Retained earnings	40,552	29,055
<i>Total equity</i>	103,223	90,819
Total liabilities and equity	1,377,620	1,339,664

Consolidated Financial Highlights

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

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2009	2008
	ANG	ANG
Interest income	60,053	59,283
Interest expense	16,516	19,502
Net interest income	43,537	39,781
Fee and commission income	12,043	14,651
Net trading income	3,472	4,428
Gains less losses from investment securities	4,651	(4,960)
Other operating income	-	2,500
Operating income	63,703	56,400
Expenses		
Salaries and other employee expenses	15,913	15,488
Occupancy expenses	8,986	7,544
Net impairment losses on loans and advances	12,457	8,180
Other operating expenses	11,131	10,196
Operating expenses	48,487	41,408
Net result before tax	15,216	14,992
Profit tax expenses	3,432	3,994
Net result after tax	11,784	10,998
Net unrealized gain on available-for-sale investments, net of tax	620	400
Total comprehensive income for the year	12,404	11,398

1.3 Explanatory notes to the consolidated financial highlights for the year ended December 31, 2009

1.3.1 Significant accounting policies

General

The principal accounting policies adopted in the preparation of these consolidated financial statements of Girobank N.V. ('the Bank') are set out below. These explanatory notes are an extract of the detailed notes included in the consolidated financial statements and are consistent in all material respects with those from which they have been derived.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for 'available-for-sale' investments, other financial assets and liabilities 'held-for-trading', financial assets and liabilities designated at fair value through profit and loss. The consolidated financial statements are presented in Netherlands Antillean Guilders (ANG) and all values are rounded to the nearest ANG thousand, except when otherwise indicated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Girobank N.V., and its subsidiary for the year ended 31 December. The financial statements of the Bank's subsidiary are prepared for the same reporting year as Girobank N.V., using consistent accounting policies.

All intra-group balances, transaction, income and expenses are eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. Control is achieved where the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies.

Financial Instruments – initial recognition and measurement

All financial assets and liabilities are initially recognized on the trade date, i.e. the date that the Bank becomes party to the contractual provisions of the instruments. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'held-for-trading'.

Financial Investments

The Bank classifies its financial assets in the following categories: financial assets 'held-for-trading', 'available-for-sale', 'held-to-maturity' investments and loans and receivables. Management determines the classification of its investments at initial recognition.

Financial assets or financial liabilities 'held-for-trading'

Financial assets or financial liabilities 'held-for-trading' are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recognized in 'gains less losses from investment securities'. Interest and dividend income or expense is recorded in 'interest/dividend income' according to the terms of the contract, or when the right to the payment has been established.

Included in this classification are debt securities, equities and short positions and customer loans which have been acquired principally for the purpose of selling or repurchasing in the near term.

Available-for-sale financial investments

'Available-for-sale' investments include equity and debt securities. Equity investments classified as 'available-for-sale' are those which are neither classified as 'held-for-trading' nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Bank has not designated any loans or receivables as 'available-for-sale'.

After initial measurement, 'available-for-sale' financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized as other comprehensive income in the 'available-for-sale' reserve. When the investment is disposed of, the cumulative gain or loss previously recognized in the available-for-sale reserve is recognized in the statement of comprehensive income in 'Other operating income'. Interest earned whilst holding 'available-for-sale' financial investments are recognized in the consolidated statement of comprehensive income as 'interest income' when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income in 'Impairment losses on financial investments' and removed from the 'available-for-sale' reserve.

Held-to-maturity financial investments

'Held-to-maturity' financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, 'held-to-maturity' financial investments are subsequently measured at amortized cost using the effective interest rate ('EIR'), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the consolidated statement of comprehensive income. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income line 'Gains less losses from investment securities'.

Due from banks and Loans and advances to customers

'Due from banks' and 'Loans and advances to customers', include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the Bank intends to sell immediately or in the near term and those that the Bank upon initial recognition designates as at fair value through profit or loss;
- those that the Bank, upon initial recognition, designates as available for sale; or
- those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, amounts 'Due from banks' and 'Loans and advances to customers' are subsequently measured at amortized cost using the EIR, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and cost that are an integral part of the EIR. The amortization is included in 'Interest income' in consolidated statement of comprehensive income. The losses arising from impairment are recognized in the consolidated statement of comprehensive income in 'net impairment losses on loans and advances'.

Impairment of financial assets

The Bank assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. If a loan or 'held-to-maturity' investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

Consolidated Financial Highlights

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated statement of comprehensive income in impairment charge for credit losses.

Customers' liabilities under acceptances

The Bank's potential liabilities for acceptances and guarantees are reported as 'acceptances outstanding'. The Bank has equal and offsetting claims against its customers in the event of a call on these commitments and are reported as 'customers' liabilities under acceptances'.

1.3.2 Investment securities

This account consists of the following items:

	2009	2008
<i>Investment securities</i>	ANG	ANG
Securities held-to-maturity	343,565	331,541
Securities available-for-sale	2,175	400
Financial assets held-for-trading	89,907	2,384
Total investment securities	435,647	334,325

1.3.3 Loans and advances to customers

The loans and advances are comprised of the following items:

	2009	2008
<i>Loans and advances to customers</i>	ANG	ANG
Retail customers	41,574	64,387
Corporate customers	368,116	346,096
Other	9,718	12,274
Gross loans and advances to customers	419,408	422,757
Less allowance for loan impairment	(20,875)	(20,830)
Net loans and advances to customers	398,533	401,927

Consolidated Financial Highlights

1.3.4 Customers' deposits

This includes deposits with credit institutions and other clients which consist of the following items:

	2009	2008
<i>Customers' deposits</i>	ANG	ANG
Corporate customers	632,092	628,934
Retail customers	194,501	205,235
Other	276,166	227,890
Total customers' deposits	<u>1,102,759</u>	<u>1,062,059</u>

1.4 Auditors' report

