



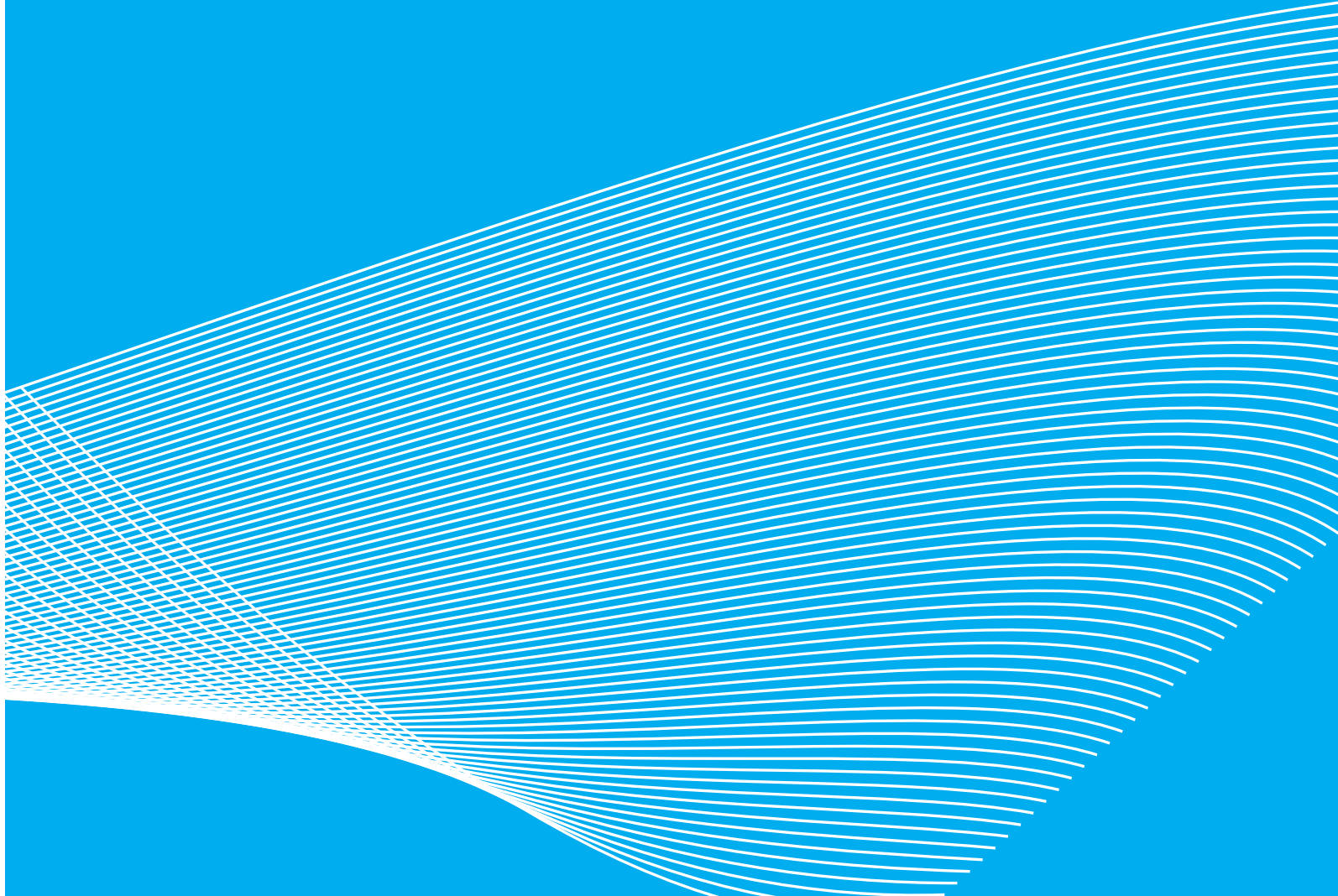
Annual report 2010 Girobank N.V.

Think it, say it, live it!

Commitment ignites action. To commit is to pledge yourself to a certain purpose or line of conduct. It also means practicing your beliefs consistently. There are two fundamental conditions for commitment. The first is having a sound set of beliefs. There is an old saying that goes, “stand for something or you’ll fall for anything”. The second is faithful adherence to those beliefs with your behavior. Possibly the best description of commitment is “persistence with a purpose”.



Annual report 2010 Commitment





Director's report	8
Committed to our employees	14
Committed to our clients	22
Committed to our community	34
Financial highlights	41
Explanatory notes	47
Auditor's report	53



[Annual report 2010](#) [Director's report](#)



In 2010 Girobank further solidified its position in the local market. The Bank's total loan portfolio increased by 25% and its capital ratio is robust at 10%. The Bank's net income after taxes rose by an unprecedented 35% to an amount of ANG 15.9 million.

Following the challenges of the year 2009, the global economy is now slowly emerging from its deepest recession in decades. The real gross domestic product ("GDP") growth of 4.8% in 2010 was primarily driven by a robust growth of the real GDP in the emerging and developing countries such as Brazil that posted a gain in GDP of 7.5%.

Locally, we experienced the dismantling of the Netherlands Antilles, the creation of two new countries, Curaçao and St. Maarten and the integration of the BES islands (Bonaire, St. Eustatius and Saba) into the Netherlands. A major consequence of this process was the government debt relief program that resulted in a reduction of the public debt to GDP ratio from 82% to 34%. Curaçao posted a GDP growth of 0.4% in 2010, combined with an inflation rate of 2.7%. Real GDP growth for 2011 is projected at 0.6%. Higher domestic energy prices are expected to drive the inflation rate to 4.8% in 2011. The prospects for long term economic growth are positive given the current level of public debt and the projected government budget surpluses.

During the year 2010, Girobank N.V. ("the Bank") experienced a change in the composition of its ownership with the International Investment Group LLC ("IIG") acquiring the shares, previously held by the Totalbank Group. IIG is a leading investment management firm based in New York, USA. APNA and the Government of Curaçao continue to hold a share in the Bank.



The trust placed in Girobank by the corporate community is reflected in the growth of our corporate loan portfolio of 20%.

In 2010, Girobank further solidified its position in the local markets. The Bank's total loan portfolio increased by 25% and its capital ratio is robust at 10%. The Bank's net income after taxes rose by 35% to ANG 15.9 million. In 2010, the Bank's portfolio of consumer loans grew by 78%. We continued to offer customized solutions to our corporate clients based on the principal goal that not only do we want to be the lender of choice but foremost we want to be the trusted business advisor. The trust placed in Girobank by the corporate community is reflected in the growth of our corporate loan portfolio of 20%.

We enhanced our risk management framework, which resulted in an improvement of the quality of our loan portfolio. Our income statement reveals that our net interest margin grew by 13%. This increase is mostly driven by a decrease in the Bank's interest expenses. We have seen a significant reduction in the interest rates, internationally but also locally. We have passed these benefits to our customers in the form of lower lending rates. Despite the significant increase of our loan portfolio (25%), our interest income increased by only 2%. We believe that satisfied customers will become loyal advocates of Girobank. Despite the significant increase in business and the opening of additional branches, our operating expenses decreased by 3%.

At the core of our business as a Bank, stands our commitment to our clients. The financial stability of our clients is our number one priority. Girobank continued to promote saving as a way to achieve long term financial stability. Staying true to our principals, we launched the Bank's consumer mortgage program starting at a very competitive rate of 5%. Excessive rainfall caused quite some damage on various parts of our island. As part of our commitment to the community, we temporarily reduced interest rates by 50% for those who suddenly found themselves in need of a loan to cover unexpected repairs and reconstruction. A strong community is the cornerstone to economic growth. Girobank will continue to support community development programs and volunteerism of our staff.

We believe that 2011 will be a year of many opportunities. The projected budget surplus of ANG 50 million provides a unique opportunity for the Government to intensify investments in physical infrastructure, improvements of the educational system and socio-economic projects. We encourage the Government to continue its efforts to implement tax reform, eliminate bureaucratic red-tape, and implement measures to improve the investment climate, control health care spending and reform the social security system.

Our vision for Girobank is simple. It is the collective effort of the Girobank team working together to offer the right solutions for our clients; customers entrusting us with their new ventures or needs; staff choosing to build their careers here because they believe this is the best workplace; and community leaders acknowledging that Girobank is a vital business partner to drive their success. Our challenge is to help all of the aforementioned stakeholders achieve their goals and realize their dreams.



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.

Managing Board of Girobank N.V.,

Curaçao, March 3, 2011

Eric L. Garcia
President and CEO

Stephen A. Capella
Managing Director and CFOO



To ensure a successful relationship with our clients, we must first be committed to our employees, so that they can provide our clients the highest quality service. This principle allows us to operate profitably for our shareholders and continue to contribute to our community.

The year 2010 was a year of challenge and renewal, resulting in a change in the composition of the ownership of Girobank and subsequent enhancement in management. These changes did not go unnoticed by the organization.

Our human resources policies and standards are aimed at achieving the bank's objectives in both the short and long term. We are committed to being a quality employer who offers strong opportunities for professional development.

Strategy and organization

Based on our vision and mission, Girobank's strategy is to have enthusiastic employees that are proud to work for the bank, that perform on a productive or superior level and are willing to change and adapt to the needs of the customers. This demands a pro-active, flexible attitude and a willingness to meet and overcome new challenges. In return, we provide our employees with a pleasant work environment and a competitive compensation package.



Our Girobank team...
...committed to you





Training and development

Training and development

We aim to train, develop, inspire and continuously upgrade the knowledge, skills and professionalism of our employees to enhance productivity, teamwork and integrity amongst ourselves and with respect to customers and other third parties.

Performance evaluation

Individual targets are set at the beginning of the year based on mutual agreements. We promote constant performance evaluation to assess the achievement of targets and goals as outlined in each employee's annual development plan. We believe good performance should be recognized as this is a key foundation for growth and development of our bank.

Working and social conditions

Girobank understands that good working and social conditions are vital to enable its employees to remain motivated. A pleasant work environment in an open culture, which promotes communication and cooperating efficiently internally and with customers, are vital in this context.

Girobank recently completed the renovation of all branches to not only enhance the customer experience but also to provide a more comfortable and modern workspace for its employees.





We acknowledge that our clients are the heart and soul of our business and are therefore committed to satisfy their needs. We are aware, though, that achieving 100% customer satisfaction is not an easy task; rather, it is a challenge that we embrace on a daily basis.



Our commercial team



We are committed to our clients

We understand that we play a vital role as a partner for success of our customers. There is nothing more important than our belief that there is a right way to do business – an approach that is at the core of the bank’s motto “Committed to you”. This belief guided our efforts as we have worked consistently to promote saving and sound financial management as a gateway to long term financial stability. The public is too often exposed to aggressive marketing campaigns directed at stimulating the need for luxury consumer products. A financial institution has the duty to safeguard the interest of the customer. This principle combined with sound lending practices ensures that lending is available for individuals and businesses that can afford the financing.

Motivated by this core belief, Girobank continued with its series of educational workshops to impart the importance of financial planning and management. These sessions named, “My Financial Stability”, were organized at strategically located community centers. One of the most important messages communicated during these sessions was that loans should preferably be sought to finance assets that add durable value to your life. That is quite a bold stance to take as a bank. A survey among the attendees indicated that it raised the awareness level of the participants of the importance of sound financial planning. The media picked up on this topic and the importance of financial planning became a national topic. This core belief, distinguishes Girobank from its competitors. In these economic times, we believe it is not only the right thing to do, but that it’s also good business. Our clients are the heart and soul of our business and we are committed to satisfy their needs. Achieving 100% customer satisfaction is not an easy task; rather, it is a challenge we embrace on a daily basis.





Modern and appealing branches that are conveniently located

In the last three years, we showed our commitment to improving our product by investing considerably in our branches. We renovated existing branches and opened three new branches including one on the island of Bonaire. We completed this project with the renovation of our headquarters in 2010. By achieving this milestone all our branches are standardized, have a pleasant atmosphere and a modern look that meets the requirements of customer demands. Our branches are strategically located and operate during convenient hours. With our Zuikertuin branch, which is located in one of the most exclusive shopping malls of Curaçao, we demonstrate our commitment to service by being the only bank on the island that is open until 7:00 pm and on Saturdays from 9:00 am to 3:00 pm. This branch caters especially to working professionals that may not be able to attend to their banking affairs during traditional banking hours. In addition, the branch of La Confianza - located in Downtown Punda - is also open on Saturdays up to 12:00 pm.

Enhancement of our bank card services

Security is of critical importance to us, which is why we regularly invest in state of the art technology to safeguard the assets that our clients entrust us with. During the year, we replaced all our ATM's, in order to introduce enhanced security features and further improve our service. The bank also introduced a wireless Point of Sale solution and started routing the majority of its Point of Sales transactions through Interactive Local Area Network ('ILAN'). This enabled us to considerably increase transaction speed and decrease downtime.

We performed a comprehensive review of our debit card processes and introduced a new fraud prevention program in 2010. The transaction alerts offered by our Mobile Banking service further enhance the fraud prevention program of the bank. The credit card product was upgraded with the addition of an attractive loyalty program. Thus, credit cardholders of Girobank not only benefit of the lowest interest rate on the market -12% - but also earn BluePoints with every purchase. BluePoints can be exchanged for cash. We will be providing additional exciting news about the BluePoint loyalty program in 2011.

Our award winning Mobile Banking Service

Girobank Mobile Banking, the first to be launched in the Dutch Antilles, was awarded the 2010 Innovation Award for "the innovation with the highest level of organization" by Innovatiecentrum Curaçao (Innovation Center Curaçao) in November 2010. We treasure this award because it reinforces commitment to offer the value-added services to our clients.

Our Mobile Banking service currently provides our clients with the ability to monitor transactions and balances of their demand and savings accounts. This service is available worldwide, within seconds after such transactions occurred, as long as the client has a mobile phone connection. In 2011, we are enhancing this service whereby subscribers to the mobile banking service of Girobank will also start receiving alerts on credit card transactions.

It is worth noting that currently, Girobank is the only bank in the Dutch Antilles to offer mobile banking service based on SMS. The advantage of SMS based Mobile Banking is that it works with all types of mobile phones. This is important because as the great majority of inhabitants of Curaçao and Bonaire do not have internet access on their mobile phone yet. Our mobile banking is, therefore, accessible to everybody with a mobile phone. We believe that we are well-positioned to better address our clients' needs.



Soon we will announce several new mobile banking services based on both the SMS and WAP technology to further enhance the customer experience. These projected services are currently not offered by any other bank in the Dutch Antilles. This demonstrates once again our commitment to innovation and quality service to our clients.

We stand ready to finance clients' ventures

Access to credit is essential to economic growth. Girobank prides itself on its accessibility to individuals and businesses alike and the swiftness with which we are able to effectively address our clients' needs. Our motivation is to help clients drive the economy forward. Our vision is to be more than just the lender of choice; we want to be the trusted business advisor.

During the year, we launched the "Giro riba Wil" (Girobank on Wheels) car campaign and a consumer mortgage program starting at a very attractive interest rate of 5%. Both products were largely accepted.

Banking in accordance with the new BES-regulations

Just as all other local banks that operate in Bonaire, Girobank converted its local banking system on the island, in response to the introduction of the US Dollar as the new official currency of Bonaire as of January 1, 2011. To ensure a smooth conversion to the new currency for our clients, we started with the necessary preparations in 2009. Thanks to proper planning and the invaluable commitment of our employees, the conversion of the accounts in Bonaire was successful.

Innovative deposit products

In 2011, we will continue to offer innovative, enhanced deposit products that add value to the customers' financial goals. These products include special time deposits, cash management accounts and interest bearing demand accounts for both consumer and business clients.

We thank all of our customers for their trust and invite both existing and potential customers to continue providing us with feedback, which will allow us to improve Girobank's services and maximize customer satisfaction. It is our commitment to satisfy you to the best of our ability!

We are committed to you



Annual report 2010 Committed to our community

Girobank scholarship

Girobank is committed to education, because education is one of key foundations for the development of a society. Recognizing that many students are unable to complete their studies and reach their educational goals due to a lack of finances, Girobank created the foundation “Bo motivashon, nos kontribushon” (Your motivation, our contribution) to offer scholarships.

At its inception, scholarships were awarded to students to study abroad. The condition tied to the scholarship was that they return upon completion of their studies and work in Curaçao. However, it has become apparent that many children leave high school prematurely due to a lack of finances. This prompted Girobank to refocus and offer scholarships to students needing financial assistance to finish high school studies. To qualify as a recipient of a Girobank scholarship, the applicant must be a student in good standing and that he or she is determined to succeed. From the start, this initiative was applauded and supported by the Ministry of Education and described as a valuable contribution to the community.

There are currently nine students studying in Curaçao, Bonaire and Costa Rica, thanks to the financial assistance provided by Fundashon Bo Motivashon, Nos Kontribushon.

The first student in this scholarship program started studying in 2006 and graduated in December receiving a medical degree at the Universidad de Ciencias Médicas in Costa Rica. We expect two more students to graduate with degrees in psychology in 2011.

A memorable celebration

Instead of entertaining our young savers with one big annual event, as was the case during the previous years, we opted for targeted donations, which would have a long lasting effect and would reach many more children. We are convinced that this is a better way of thanking the communities in which we operate for their support and loyalty. Girobank selected the following organizations to receive a donation as part of the fifth anniversary of our youth saving product Oinki.

Social integration

Studies show that students that leave school prematurely normally do not return to the school system. The Caribbean Youth Foundation motivates these teenagers to successfully return to school by means of an intervention program. It is an integral approach whereby school, parents and the teenager are involved. We provided the Caribbean Youth Foundation with financial support to stimulate the reintegration of these youngsters into the educational system.



Girobank scholarship

Francis de Windt MD



Curaçao Cycling Federation

Skye de Vries



Little League Curaçao

Nathaniël Bentoera



A memorable celebration

Oinki



Schottegatloop

Freddy Dalnoot



Public library

Taïs Zimmerman



Kas Bruder Pius

Eldica Gomez and
baby Mervina Gomez

Emotional health

When we think of disabled children, we automatically picture a child with physical impairments. However, at the SOKH Foundation, they want to make us aware of the fact that emotionally and socially disabled children form part of our community as well. These children need our help: they need well informed parents, they require special care of people with knowledge and they need to be able to entertain themselves in a natural and tranquil environment. We committed to support their health and recreational needs and provided them with a play house and an outdoor kitchen, which were much needed.

Teenage parenthood

Teenage mothers can encounter difficulties in the absence of proper guidance and or a safe and healthy environment. Kas Bruder Pius provides guidance and shelter to (expecting) teenage mothers. As a responsible corporate citizen, we support the work of the foundation to provide these young mothers with a cultivating environment.

Lifelong learning

We consider public libraries an essential part of having an educated and literate population. Through our local public library, we were able to contribute to the continuous building of skills and knowledge throughout the life of any individual who visits our library. Being one of the most visited institutions of our island with over 130,000 visits per year, the Curaçao Public Library was in need of a new computer room with state of the art equipment, to continue to facilitate lifelong learning.

Musical arts

Caribbean Youth Foundation, SOKH Foundation, Kas Bruder Pius and Curaçao Public Library are located in Curaçao. However, Girobank celebrated in Bonaire as well. FESBO, an organization with a prominent role in activities for the youth in their own neighborhoods, organizes musical instrument classes. With the donation of 20 musical instruments, they can now introduce a group of children to musical arts, while preserving typical rhythms on this authentic island.

Other initiatives

Girobank sponsors several other organizations such as the Curaçao Cycling Federation that organizes regular BMX, road bike and mountain bike competitions. We also support other sport initiatives such as walking, running and base ball, by sponsoring the annual so-called Schottegatloop on Father's Day and several Little League teams.

We strongly believe that giving back is the ultimate expression of gratitude. We acknowledge the work of many volunteers who allow us to help others through their passion to serve. Thanks to their knowledge and dedication, we can continue to foster our long term commitment to the communities in which we share a mutual interest.



They have a passion and they have a mission, they have the knowledge and they master the ability to help others, when and where they really need it. We commit to join them in their cause to make the life of many others more fulfilling. Our philosophy is thus to improve the quality of life of others, through those who believe in it and are committed to do it with love, passion and dedication.

In 2010, we showed our strong commitment to play a significant role in the support of our social infrastructure. We help many institutions on a daily basis and support many initiatives, including education, sports and recreation. However, there are a few causes we particularly wish to highlight.



Consolidated statement of income for
the year ended December 31, 2010

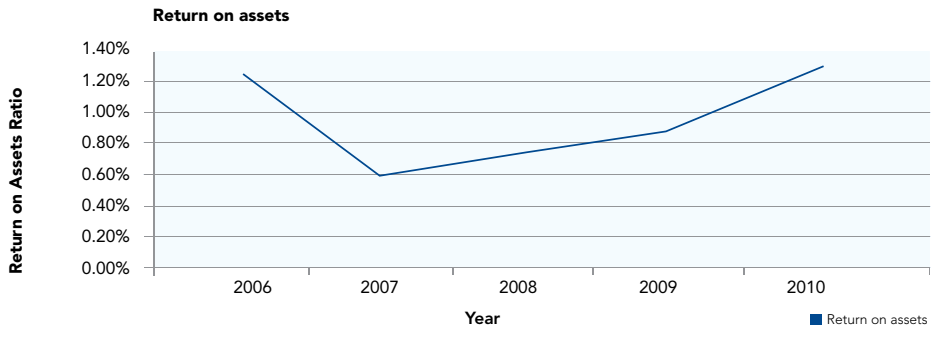
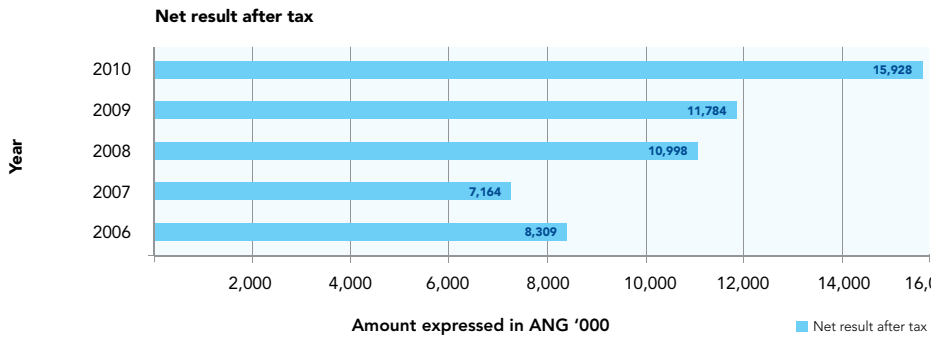
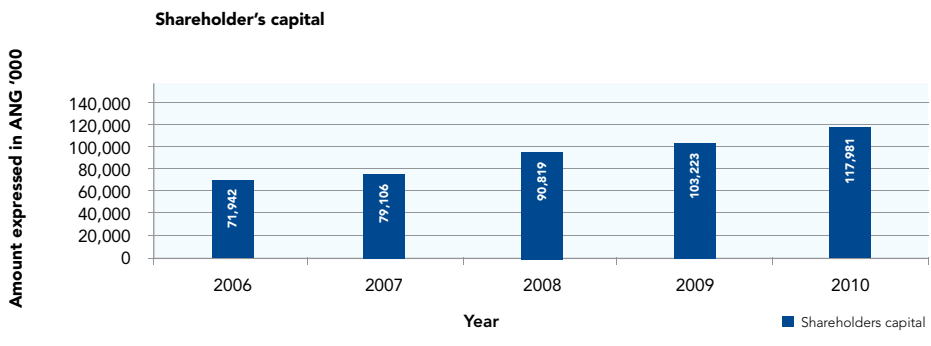
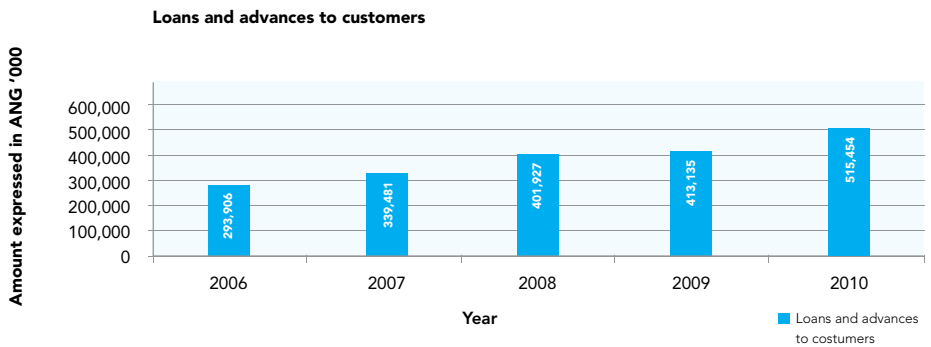
(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2010	2009
	ANG	ANG
Income		
Interest income	61,257	60,053
Interest expense	(12,253)	(16,516)
Net interest income	49,004	43,537
Fee and commission income	8,592	12,043
Net trading income	3,551	3,472
Net gains from investment securities	2,114	4,651
Operating income	63,261	63,703
Expenses		
Salaries and other employee expenses	17,466	15,913
Occupancy expenses	8,759	8,986
Net impairment losses on loans and advances	8,941	12,457
Other operating expenses	11,804	11,131
Operating expenses	46,970	48,487
Net result before tax	16,291	15,216
Profit tax expenses	363	3,432
Net result after tax	15,928	11,784

Consolidated statement of financial position as of
December 31, 2010

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2010	2009
	ANG	ANG
Assets		
Cash and due from other banks	286,201	451,862
Investment securities	370,750	421,045
Loans and advances to customers	515,454	413,135
Intangible assets	1,705	535
Bank premises and equipment	10,542	11,523
Customers’ liability under acceptances	41,962	67,755
Other assets	10,773	11,765
Total assets	1,237,387	1,377,620
Liabilities and equity		
Customers’ deposits	972,570	1,102,759
Due to other banks	58,180	83,807
Acceptances outstanding	41,962	67,755
Profit tax payable	367	64
Deferred tax liabilities	10,449	538
Other liabilities	35,878	19,474
Total liabilities	1,119,406	1,274,397
Equity		
Issued capital	46,500	46,500
Other reserves	39,752	16,171
Retained earnings	31,729	40,552
Total equity	117,981	103,223
Total liabilities and equity	1,237,387	1,377,620



Consolidated statement of comprehensive income for the year ended December 31, 2010

(All amounts expressed in thousands of Netherlands Antillean Guilders)

	2010	2009
	ANG	ANG
Net result after tax	15,928	11,784
Other comprehensive income		
Fair value changes		
(available-for-sale securities), net of tax	18,830	620
Total comprehensive income for the year	34,758	12,404

Explanatory notes to the consolidated financial highlights for the year ended December 31, 2010

1. Significant accounting policies

General

The principal accounting policies adopted in the preparation of these consolidated financial highlights 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 or loss, which have all been measured at fair value. The consolidated financial statements are presented in Netherlands Antillean Guilders (ANG) and all values are rounded to the nearest ANG thousands, except when otherwise indicated.

The policies used have been consistently applied by the Bank and are consistent, in all material respects, with those used in previous years. For financial statements presentation purposes, certain amounts reported in 2009 were reclassified to remain in conformity with the presentation in 2010.

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 subsidiaries ('the Bank') for the year ended 31 December, 2010. All inter-group balances, income and expenses are eliminated in preparing the consolidated financial statements.

Subsidiaries are those entities controlled by 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank until the date that control ceases.

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 settlement date at fair value, plus transaction costs, except for financial assets or financial liabilities at fair value through profit or loss, which are recognized at fair value.



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'

Subsequent changes in fair value are recognized in 'net trading income'. Interest income or expense is recorded in 'net interest income' according to the terms of the contract, or when the right to the payment has been established.

'Available-for-sale' financial investments

'Available-for-sale' investments are non-derivative investments that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or in response to changes in the market conditions. Subsequent changes in fair value are recorded in "other comprehensive income" in the consolidated statement of comprehensive income. Interest income or expense is recorded in 'net interest income' according to the terms of the contract, or when the right to the payment has been established.

'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 'net interest income' in the consolidated statement of income.

If the Bank were to sell or reclassify more than an insignificant amount of 'held-to-maturity' investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as 'available-for-sale'. Furthermore, the Bank would be prohibited from classifying any financial asset as 'held-to-maturity' during the following two years.

'Due from other banks' and 'Loans and advances to customers'

'Due from other banks' and 'Loans and advances to customers', include non-derivative financial assets with fixed or determinable payments.

After initial measurement, amounts 'Due from other 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 costs that are an integral part of the EIR. The amortization is included in 'Interest and similar income' in the consolidated statement of income. The losses arising from impairment are recognized in the consolidated statement of income in 'Net impairment losses on loans and advances'.

Determination of fair value

The fair value for financial instruments traded in active markets at December 31, 2010 is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Bank's best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models.

Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognized only when the inputs become observable or on derecognition of the instrument.

Impairment of financial assets

(a) Assets carried at amortized cost

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.

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 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.

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.

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.



Annual report 2010 Explanatory notes

(b) 'Available-for-sale' financial investments

For 'available-for-sale' financial investments, the Bank assesses at each statement of financial position date whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as 'available-for-sale', the Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statement of income. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

In the case of equity investments classified as 'available-for-sale', objective evidence would also include a 'significant' or 'prolonged' decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss is removed from equity and recognized in the consolidated statement of income

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'.

2. Investment securities

This account consists of the following items:

	2010 ANG	2009 ANG
Investment securities		
Securities held-to-maturity	-	328,963
Securities available-for-sale	339,613	2,175
Financial assets held-for-trading	31,137	89,907
Total investment securities	370,750	421,045

3. Loans and advances to customers

The loans and advances are comprised of the following items:

	2010 ANG	2009 ANG
Loans and advances to customers		
Retail customers	73,828	41,574
Corporate customers	458,963	382,718
Other	11,140	9,718
Gross loans and advances to customers	543,931	434,010
Less allowance for loan impairment	(28,477)	(20,875)
Net loans and advances to customers	515,454	413,135

4. Customers' deposits

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

	2010 ANG	2009 ANG
Customers' deposits		
Corporate customers	525,890	624,466
Retail customers	203,109	202,127
Other	243,571	276,166
Total customers' deposits	972,570	1,102,759



Annual report 2010 Auditor's report

REPORT OF THE INDEPENDENT AUDITOR ON THE CONSOLIDATED FINANCIAL HIGHLIGHTS

To the Shareholders, Board of Supervisory Directors and Managing Board of Girobank N.V.

The accompanying consolidated financial highlights, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statement of income and comprehensive income for the year then ended, and related notes, are derived from the audited consolidated financial statements of Girobank N.V. for the year ended December 31, 2010. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 3, 2011.

The consolidated financial highlights do not contain all the disclosures required by International Financial Reporting Standards. Reading the consolidated financial highlights, therefore, is not a substitute for reading the audited consolidated financial statements of Girobank N.V.

Management's Responsibility for the Consolidated Financial Highlights

Management is responsible for the preparation of the consolidated financial highlights in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by the Central Bank of Curaçao and Sint Maarten ("CBCS").

Auditor's Responsibility

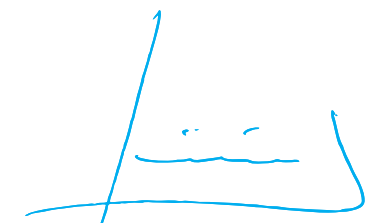
Our responsibility is to express an opinion on the consolidated financial highlights based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the consolidated financial highlights derived from the audited consolidated financial statements of Girobank N.V. for the year ended December 31, 2010 are consistent, in all material respects, with those consolidated financial statements, in accordance with the Provisions for the Disclosure of Consolidated Financial Highlights of Domestic Banking Institutions, as set by CBCS.

Curaçao, March 3, 2011

for Ernst & Young Accountants



E.R. Statius van Eps CPA



Annual report 2010 Supervisory directors, Management, subsidiaries and branches Girobank

Board of Supervisory Directors

Ivan de Windt (Chairman)
Willem van Bokhorst (Vice chairman)
Anthony Cijntje
David Hu
Philip Martis
Martin Silver
Dieudonné van der Veen

Board of Managing Directors

Eric Garcia (President & CEO)
Stephen Capella (Managing Director & CFOO)

Subsidiaries

Girobank International N.V.
Scharlooweg 35
Curaçao

Girolease N.V.
Scharlooweg 35
Curaçao

Branches

Scharloo branch (main office)
Scharlooweg 35
Curaçao

Janwe branch
Seru Loraweg 15-17
Curaçao

Colon branch
Winkelcentrum Colon units G025-G028
Curaçao

Zuikertuin branch
Zuikertuin Food & Shopping Mall unit E
Curaçao

La Confianza branch
De Ruyterkade 12-A
Curaçao

Sta. Maria branch
Jan Noorduyweg unit 1-A
Curaçao

Renaissance branch
Riffort Village Project Unit 103
Curaçao

Servisio di pago Marshe
Marshe nobo
Curaçao

Servisio di pago Colon
Winkelcentrum Colon

Servisio di pago Sta. Rosa
Santa Rosaweg 345

Servisio de pago Dokterstuin
Dokterstuin 53

Bonaire branch
Kaya L.D. Gerharts 12
Bonaire

