

ANNUAL REPORT 2012

ENTREPRENEURSHIP MATTERS

We are a growing Bank,
but we never lost our entrepreneurial spirit.
That may be why we take such pride
in nurturing emerging companies.



REPORT OF THE MANAGING BOARD

Our culture is shaped around customer service rather than our products.

Report of the managing board

This past year, we continued the process to shape our culture around customer service rather than around our products. As a result, our products and services are aligned to what matters most to our customers. Our objective is to make banking easier for our customers by providing access to solutions that match their financial goals and lifestyles. Getting this right attracts team members and customers that share an interest in having a long-term relationship with Girobank. We take pride in the fact that our products and services are among the most innovative in the market.

Customer service

Our customers' success comes first. Our staff turn-up each day committed to exceed customers' expectations. That is our constant focus. An increasing number of our customers bank with us online or through mobile devices. Yet, even today, most customers establish their banking relationships through face-to-face visits at branches. That is why we continue to invest heavily in service training for our team members to ensure that we are well prepared to offer the service you deserve. We are also committed to offering more digital access via mobile phones, tablet, and computers to allow customers to choose when, where, and how to conduct their banking business.



MANAGING BOARD GIROBANK FROM LEFT TO RIGHT:
STEPHEN CAPELLA, ROCHELLE MONTE, ERIC GARCIA AND RICHARD RAJACK.

Our economy

Curaçao faced both economic and political challenges since its inception in 2010. Our country is coping with a deficit on the current account balance of payments and budgetary deficits that will require some decisive measures to solve. Considering the declining international reserves and import coverage, the Central Bank of Curaçao and St. Maarten ('CBCS') tightened its monetary policy to contain the extension of consumptive credits and hence impede worsening of the current account deficit. In this respect, CBCS raised the reserve requirement percentage further and it introduced temporary restrictions on credit growth. The CBCS indicated that in 2013, it will continue to increase the required reserve percentage, it will maintain maximum credit growth restrictions and it will increase the amount of CDs auctioned. Early 2013, the Government also presented

several proposals to the Parliament intended to curtail the (projected) budget deficits of 2011, 2012 and 2013. These projected budget amendments are expected to have an inflationary effect and will further restrict the growth of GDP. On the other hand, should the government succeed in bringing stability and sincerity to the management of public finances, this would have a positive impact on the overall investors' confidence.

Last year, in conversation after conversation we perceived signs of the worries and uncertainty that influenced consumer and business behaviors. There were bright spots, such as the inception of the construction of the ultra-modern facility of the Curaçao Technology Exchange N.V. that reminded us of the potential that our economy still holds. But overall, our customers remained cautious given the lackluster economy,

political skirmishing, government budget pressures, and pending measures to be introduced by the government.

Financial Highlights

Considering the difficult economic environment, we drew inspiration from the quote of the illustrious philosopher, Mahatma Gandhi, "A man is but the product of his thoughts. What he thinks, he becomes". It is precisely in times of difficulty that we must persevere and continue to focus on our strategic goals and objectives. Regardless of the environment, we believe that the best measure of progress against that goal is revenue growth. In 2012, we grew net operating income by 21% to ANG 98 million, net interest income by 17% to ANG 71 million and non-interest income by 31% to ANG 27 million.

Despite a difficult economic environment, Girobank's overall performance in 2012 was commendable. The Bank grew its net profit after tax by 15% to ANG 27 million. Total assets increased by ANG 281 million or 20%. Loans and advances increased by 34% or ANG 279 million and our loan portfolio broke the barrier of 1 billion guilders. During the year, our customers continued to entrust the Bank with their deposits. Total customers' deposits grew by ANG 228 million or 19%. The Bank's shareholders' equity increased by ANG 28 million and the Bank's risk adjusted capital ratio now stands at 13%. These positive results are a direct reflection of our continuous focus on providing first class customer service, innovative products and services, competitive lending rates and compliance to sound risk management principles.

At Girobank, we believe in making expense management a competitive advantage. Our strategy is to grow efficiently in ways that result in products and services that our customers value. This discipline is expressed by our efficiency ratio, which reflects how much we spend in expenses for every guilder of net operating income we earn. In 2012, the Bank's efficiency ratio was 65%, which contends with some of the largest financial institutions of the world. The Bank did not cut expenses to meet this feat. We simply struck a balance between managing expenses wisely and spending on what matters most to our customers. We hired people where we saw opportunities for growth or to strengthen our foundation and reduced expenses where these did not add value for our customers.

Corporate Social Responsibility

Corporate Social Responsibility is integral to the success of our Bank and its customers, shareholders and communities we serve. Our community activities are core to our business, as we continually strive to lead by example. Our work force is committed to serving our communities by listening, collaborating, and responding with the best solutions. From providing manpower to charitable organizations, to working with nonprofit leaders to better understand important issues, and to providing financial support, we are making every effort to be responsive to our society. Last year, Girobank contributed an unprecedented 5% of our net income after taxes to charitable organizations, but our social involvement extends far beyond mere financial contributions.

Outlook 2013

We remain optimistic for 2013, although we strongly believe that measures must be taken to improve the investment climate and to incentivize the entrepreneurial spirit. Motivated by yet another quote of Mahatma Gandhi, "You must be the change you wish to see in the world", Girobank intends to launch a new initiative, the Giro VentureLab. This initiative aims to fill the void experienced by many entrepreneurs that have great difficulty in gaining access to traditional sources of financing. The Bank's underlying motivation for this initiative is the passionate belief that it can make a difference by encouraging entrepreneurial activity among those with potential. It is important to provide an avenue for these prospective entrepreneurs to inspire others with their vision, leadership and achievement, which will result in economic growth and prosperity. The Bank appreciates the value of entrepreneurship and considers the nurturing of entrepreneurs detrimental

to the development of economic growth. A fluid private equity market is a driving force that enables entrepreneurs to successfully develop innovations and interesting new business concepts and models. Access to private equity makes an important contribution to sustainable business development, growth, job creation and the greater welfare of society. This philosophy is anchored in the Bank's history. For that reason, Girobank chose to highlight the importance of entrepreneurship for economic growth of our Islands by making it the theme of this year's annual report. Entrepreneurship is highlighted with firm words as its paradigm throughout this report. While many may think of entrepreneurs as people who are innovative, resourceful, and ambitious, they often forget about what may be the true characteristic of an entrepreneur: resilience. Resilience has little to do with an entrepreneurs' actions and everything to do with their reactions.

We are fortunate in having an exceptionally passionate and dedicated team at all levels of the organization that are determined to give paramount service to our customers.

Girobank now takes its commitment to assist individuals and corporations to achieve financial stability one step further with the inception of this program.

In March 2013, Ivan P. de Windt retired from our Supervisory Board of Directors after 2 years of service to our Bank. Ivan brought extensive experience from his distinguished career and we benefited from his excellent business instincts. We thank him for his service and contributions to Girobank, and we wish him continued success. This past year's achievements would not have been possible without the talent and commitment of our people. We are fortunate in having an exceptionally passionate and dedicated team at all levels of the organization that are determined to give paramount service to our customers. Therefore, we would like to take this opportunity to thank our team members, our customers and the communities we serve, the Supervisory Board, and our Shareholders for their continued support. Your

confidence reminds us of the reason we are so excited to serve customers each day.

Curaçao, April 23, 2013

The Managing Board of Girobank N.V.



Eric L. Garcia
President & CEO



Richard Rajack
Managing Director & CCO



Stephen A. Capella
Managing Director
& CFO/COO



Rochelle A. Monte
Assist. Managing Director



ENTREPRENEURSHIP MATTERS

“Entrepreneurship is
neither a science nor
an art, it is a practice”

Peter Drucker

Entrepreneurship is globally on the rise. Recent research by Babson College indicates that there are nearly 400 million active entrepreneurs worldwide, and that this number continues to grow at an astounding rate. In Curaçao, the Chamber of Commerce reported more than 3000 new business registrations in 2012, which is significant for a nation of a little over 151,000 inhabitants. The experts agree that the ever-increasing popularity of entrepreneurship is a positive development. It encourages economic growth, employment, as well as technological and innovative capabilities. At Girobank, we are not just enthusiastic about entrepreneurship, but passionate. To understand our Bank’s vision, it is necessary to understand what the term truly means.

According to the much-praised definition by Harvard Business School professor Howard Stevenson, entrepreneurship is the pursuit of opportunity beyond the resources you currently control. In other words: you are

a true entrepreneur if you look beyond the options that you have, and focus on the options that you can create.

In our current economy, being an entrepreneur remains unusually tough. Never has resilience been more critical for entrepreneurs. The ability to push steadfastly through challenges is a valuable trait that seems to come naturally to some entrepreneurs. Others can adapt over time to become wiser and more confident after each trying situation. We can easily conclude that entrepreneurs are built from a very particular kind of firm wood, which endures seasons, rain, storms and sunshine, with the ability to pivot and at other times persevere right through.

Adopting a resilient mindset is therefore eminent for any entrepreneur who aims at being successful. Mindset is an entrepreneur’s biggest asset as it can become his biggest barrier. Those that succeed look at setbacks as opportunities for improvement, similar to wood that builds layers to become firmer.

GIROBANK & ENTREPRENEURSHIP IN NUMBERS

- Our loan portfolio grew from less than 100 million guilders in 2002 to over one billion by the end of 2012.
- Girobank supported 188 entrepreneurial activities in 2012 (2011:180), with an average of ANG 677 thousand per entrepreneurial initiative.

This annual report intends to highlight how the spirit of entrepreneurship - of going out and forging new pathways to success - is ingrained in Girobank's corporate DNA. How does our commitment to entrepreneurship – including social entrepreneurship - account for our success and growth? Why do entrepreneurs feel particularly attracted to Girobank, more so than to other banks? How do we go the extra mile for our clients, big and small, new and established? Last but not least, how do we view the future of entrepreneurship on Curaçao?

Going the extra mile for entrepreneurs

The numbers confirm our commitment to entrepreneurship and our determination to be the Bank of choice for the people that work hard to prosper in life. What does 'going the extra mile for entrepreneurs' really mean to Girobank?

Flexibility

Being responsive to clients would seem to be a basic requirement for any business, but it turns out that it cannot be taken for granted. One of our most important

“A significant number of corporate customers have made the change to Girobank, because we are known as a flexible bank that is willing to go the extra mile and that values quick responsiveness.”

– Richard Rajack

traits is our conquest over bureaucracy. Managing Director and CCO Richard Rajack: “We are well known for our quick response time, because we don’t have a bureaucratic structure that requires too many layers of processing. We are able to look at the practical side of businesses and are willing to think with our clients to come to a win-win situation that all parties are comfortable with. We work with the client, turn their idea inside-out, and – if it’s bankable – we can make it happen. Our short decision-making lines add to this flexibility.” According to Stephen Capella, Managing Director and CFO/COO, Girobank’s flexibility does not just apply to financing: “All our products are designed to fit our customers’ needs. We shape our culture around customer service rather than our products.”

We listen, and act on what we hear

It is no coincidence that we know what clients are looking for. Annually, we conduct a range of studies, from broad market research to customer satisfaction and perception surveys. Rochelle Monte, Assistant Managing Director: “We want to know how clients perceive us, what their

needs are, what the competition is doing, and also what’s happening internationally.” Girobank does not merely do research for the sake of research, but follows up on it by continuously improving our products and services. An example in the consumer market is the highly successful SAM savings product. Among corporate clients, we have distinguished a growing demand for even more electronic convenience and less paper. Rochelle Monte: “We have a number of initiatives lined up for 2013 to further satisfy that demand.”

Leading, not following

Girobank is pro-active when it comes to implementing new services and technologies. If these innovations provide an added value, we embrace them first. This is why we were the first bank on the island to launch banking via mobile phone, and why we have the most modern and attractive user interface software on our ATM’s. Rochelle Monte: “We always try to innovate in the interest of the best possible customer experience.”

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GIROBANK'S STEPS TO SUCCESS

1. Solid planning and implementation
2. Constant improvement
3. Being open towards new ideas
4. Looking ahead
5. Repeat from step 1

Innovation follows innovation

Technological innovations and social initiatives paved the way for Girobank to manifest itself as a forward-thinking bank. This strategy has yielded tangible results. Richard Rajack: "People know that we will be supportive and receptive of new ideas. Our reputation is that compared to our competitors, we are more willing to talk about new opportunities". Rochelle Monte adds: "When people have fresh ideas, we are the first bank they visit. They recognize us as an open-minded business partner. This happens frequently. It means that we are the go-to bank for entrepreneurial spirits."

Service as a strategy

Many organizations gratuitously promise their clients 'service', but few have committed themselves to service as Girobank has. Rochelle Monte: "We want to be the best in service, and all our internal efforts are geared

towards that goal. Service is an integral part of the Bank's five-year strategic plan that we translate to annual plans every year. We are currently in the middle of a service-quality project, which entails continuous improvement of our business processes as well as the improvement of skills and knowledge of our employees. Our clients will certainly notice the difference."

The contagious enthusiasm of our people

Richard Rajack emphasizes how motivated Girobank's employees are, and how essential this is to our success: "Our people are not just going through the motions, but are genuinely enthusiastic in dealing with clients, because they feel good about working here. That involvement and engagement is something we really foster, and that propagates itself in the vibe a client gets." Stephen Capella: "We have a dynamic, responsive and driven team of employees. Everyone feels free

“Always treat your employees exactly as you want them to treat your best customers.”

- Steven R. Covey

to share ideas. The fact that we are a non-hierarchical organization also contributes to our success. This definitely pays off.”

THE SOCIAL SIDE OF SUCCES

You get what you give

Eric Garcia's life motto is "do good and good comes back to you." He supports his case with Girobank's balance sheet, which has shown remarkable growth under his socially inspired management. "Ten years ago, we were a modest bank with total assets of approximately 300 million guilders. Today, we have surpassed the mark of 1.5 billion, and we owe a large part of that to our strong sense of social responsibility." Stephen Capella: "Corporate Social Responsibility is integral to the success of our Bank and the customers, clients, shareholders and communities we serve. In 2012, Girobank contributed an unprecedented 5% of its net income after taxes to charitable organizations, but our social involvement extends far beyond mere financial contributions."

A unique message: financial discipline

Some people might be surprised to hear it from a bank, but in the consumer market we advocate a philosophy of financial discipline. Richard Rajack explains: "Eric constantly instills the values of savings and not living beyond our means." Eric Garcia elaborates: "We're try-

ing to convey the importance of building equity. Buy a smaller car than your ego might call for, save the rest, and in five years time, you might have saved enough to buy a small piece of land. We keep on spreading that message religiously and it does pay off. It gives us huge satisfaction when we hear great stories of our clients that understood the message."

A focus on mortgages: stability

We have long believed in the importance of homeownership. Buying a home is the most important financial decision that many of our customers will ever make. Eric Garcia: "We encourage home ownership, because it is good for the individual and it is good for the overall economy. Housing has led to almost every economic recovery in recent history." Richard Rajack concurs: "People buying homes, increasing stability, that's our preferred focus. As opposed to sporadic retail campaigns that just drive people into debt, mortgages help build a better community. This focus is also part of our social vision."

Girobank owes a large part of its growth over the past ten years to a strong sense of social responsibility that will be continued with the introduction of Giro VentureLab and Giro Cares. What does social entrepreneurship mean at Girobank, and why is it so important?

Eric Garcia on corporate responsibility

Corporate financing with a financial and social ROI

Our main focus as a bank is on financing, and especially of projects that have added social value. Eric Garcia: “We have recently financed a business that will create 200 jobs in tourism. We are always out to stimulate the economy. Without employers, there are no jobs, which brings us to the small entrepreneurs. We know several companies who started out with one or two partners and who are now employing 20 people. Financing those start-ups is not just a social undertaking. We truly believe that if you start with the customer in mind, the profits will follow.”

Nothing ventured is nothing gained

In 2013, the Bank intends to launch Giro VentureLab, a foundation that intends to help beginning entrepreneurs in the saddle. Stephen Capella explains: “Capital is the lifeblood of businesses. While no amount of money will make a bad business successful, no business can survive

without the financial means to develop products, make capital expenditures, hire a workforce, establish markets and attract customers. Many (young) entrepreneurs have great difficulty in gaining access to traditional sources of financing. Financial institutions view these upstarts as too risky because the principals tend to have little experience and few assets to their name. With this new initiative of the Bank, we intend to close the gap experienced by many entrepreneurs that have a solid idea, but also have a limited track record and insufficient own equity to qualify for regular bank financing. Giro VentureLab will provide them with the required seed capital, while the bank will provide the regular financing. Preference will be given to those ventures that strengthen the economy, generate foreign reserves and have the potential to create substantial employment opportunities. We recognize the importance of supporting these next generation companies and seek to provide these entrepreneurs with the required capital to grow their businesses.”

"Mentoring is crucial, because beginning entrepreneurs are often great at their core business, but less capable when it comes to matters such as administration and taxes. We help put them on the right track."

Eric Garcia

Money, however, is only part of what the VentureLab offers. Coaching is a very important aspect as well. Eric Garcia clarifies: "Mentoring is crucial, because beginning entrepreneurs are often great at their core business, but are less concerned when it comes to matters such as administration, cash flow management and taxes." Stephen Capella: "To further assist them, we are building a network of our own staff, consultants and other service providers, to assist these VentureLab entrepreneurs."

TOP 4 PITFALLS FOR STARTING ENTREPRENEURS:

01. Incomplete business plan
02. Flawed administrative organization
03. Unprepared for growth
04. Inadequate management of cash flows

The VentureLab will offer direct links to entrepreneurial, business, technology and legal resources in combination with mentoring, market and business plan validation needed to start and grow innovative ventures. The equity investment received from the VentureLab strengthens the balance sheet of the new company to allow it to obtain additional funding from other capital providers. Plus, the due diligence process the VentureLab undertakes to assess the business opportunity can boost the credibility in the eyes of other investors. Each Venture should have a clearly defined exit scenario. This will create the necessary cash flow to enable the fund to continue to assist other entrepreneurs to realize their vision."

The VentureLab initiative is intended to unlock economic potential that otherwise would have been lost. Eric Garcia reminisces: "I've been in this business for

over 55 years, here, in Colombia, Argentina, and the US, and I've seen too many great business ideas left on the table because the entrepreneur didn't have the required start-up capital. With Giro VentureLab, we hope to prevent this and unlock those promising ideas. In addition, we hope that this entrepreneur, once he has become successful in his own right, will feel inspired to help others."

Stephen Capella: "We know that there is a real demand for this kind of support. This fund is a great example of social entrepreneurship. It is not intended to generate profits for our Bank, but purely to facilitate healthy economic activity. Almost 95% of businesses on Curaçao fit in the small business category. Even though one entrepreneur alone might be small on his own, they must have the conviction that as a group they

can function as catalyst for economic growth.

While the economy is stagnant, it should absolutely not discourage aspiring entrepreneurs from launching a new venture. Nothing ventured, nothing gained.

We should watch out for paralysis by analysis. If you have a solid plan, try to make it a reality and we will support you. Try to put your idea forward and get your business going. That's the way to get the economy moving again.

So we would be encouraging rather than discouraging."

Stephen Capella sees great opportunities in technology and tourism: "Both sectors can have a positive influence on our foreign currency reserve, which is beneficial for our economy. We believe that our tourism industry still offers room for growth. Curaçao is still relatively unknown with the American traveler, even though we have so much to offer. The great thing about tourism is

that it creates jobs at various educational levels. Having said that, we do feel very strongly about getting higher educated natives back to the island to boost our economy, and we wholeheartedly support initiatives that share this goal.”

Giro Cares: well done is better than well said

Being socially responsible is not just about giving money. It also encompasses giving some of our time. This is also why the Bank intends to launch the Giro Cares Foundation. Eric Garcia: “I noticed that many people at Girobank are willing to do volunteer work, but most just don’t have the time with their busy jobs and families. As a solution, Giro Cares Foundation will promote volunteer work during and outside working hours mainly by sharing our own skills and knowledge. With this foundation, we want to set a positive example and encourage social consciousness.”

Social responsibility is equally important to our

community and our Bank. Our track record shows that social responsibility leads to profitability. Eric Garcia: “If the community is doing well, Girobank does well. But it’s also simply satisfying to open your heart and give. If we are all prepared to give a little, this can be a much better island for everyone. This is what we believe and what we will continue to preach.”



STATEMENTS ON ENTREPRENEURSHIP

Curaçao means business

In 2012, the Curaçao Chamber of Commerce counted a total of 38,054 registered, active businesses. That's roughly one business per four inhabitants. Micro, small and medium-sized enterprises make up for more than 95% of businesses on Curaçao and account for approximately 56% of employment (CBS).

Entrepreneurship plays a significant role in our community and can even be considered as embedded in our culture.

You get what you give

Social entrepreneurship is rewarding on a human level. Instead of measuring performance in profit and return, it takes the positive return to society into account. We have recognized social challenges and used our own employees' entrepreneurial principles and skills to organize, create and manage social ventures, in order to achieve desired social change. Scholarships, community projects, and the new Giro Cares volunteerism initiative

create priceless goodwill. Do good and good will come back to you.

Don't give a man a fish

Entrepreneurs are generally good at their core business. However, a business is more than its product alone. Bookkeeping, taxes, legalities and planning are equally important to guarantee success of new entrepreneurial initiatives. A recent study by drs. G. Rojer (University of the Netherlands Antilles) confirms what we already knew: the rigidity of formal financial institutions creates barriers for new and growing entrepreneurs. Both aspects were taken into account when we went back to the drawing board to come up with ideas on how to better prove our commitment to entrepreneurs. What better way than truly vesting our trust in our people and ideas we support, than with a venture lab? This initiative will break down these barriers with a more flexible, pragmatic approach and alternative ways of financing.

As the world turns... keep up!

Like any modern business, Girobank keeps its finger firmly on the pulse of rapid global developments in service and technology for both its employees and customers. We were Curaçao's first bank to introduce mobile banking and are constantly innovating, not just for the sake of innovation, but also to create an even better customer experience.

Power to the people

We are not only keeping up with our customers but also with our employees. The foundation of a successful business has always been its people. Many international studies have found that engaged, enthusiastic employees are more productive, resulting in better service to customers. We conducted an employee satisfaction survey in 2012 and were pleased to confirm that the overall satisfaction level of our employees is above the industry average. We have always believed that we have to treat our employees exactly as we want them to treat our best customers.

As the twig is bent, so the tree grows

What affects and influences us in our childhood shapes the kind of adult we turn out to be. This is why, two years ago, Girobank started organizing its 'Festival di Oinki', which aims to teach children entrepreneurial skills and cultivate in them the entrepreneurial spirit through a friendly competition between elementary schools. The Festival proved to be successful in 2011 and was expanded in 2012 to the island of Bonaire, where Girobank has one branch. This Festival has remained consistent with our belief that there is a lot that can be done with materials that are often considered insignificant. Even more importantly, the children felt empowered by the process and have discovered a new level of creativity and self-confidence.

Entrepreneurship builds character and vice versa

We have noticed that it takes a special kind of person to become an entrepreneur. The typical character traits that we often encounter in our most successful clients

are vision, determination, creativity, the willingness to work hard and resilience.

As Winston Churchill said: "Success is the ability to go from one failure to another with no loss of enthusiasm." This doesn't mean that you cannot become an entrepreneur if you weren't born with all these characteristics, since there is another trait of successful people: they never stop learning.

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

(All amounts expressed in thousands of Netherlands Antillean Guilders)

| | 2012 | 2011 |
|---|---------------|---------------|
| | ANG | ANG |
| Income | | |
| Interest income | 86,356 | 74,791 |
| Interest expense | (15,187) | (14,095) |
| Net interest income | 71,169 | 60,696 |
| Fee and commission income | 9,341 | 12,202 |
| Net trading income | 6,989 | 5,587 |
| Other operating income | 10,506 | 2,624 |
| Operating income | 98,005 | 81,109 |
| Expenses | | |
| Salaries and other employee expenses | 24,119 | 19,648 |
| Occupancy expenses | 10,992 | 9,837 |
| Net impairment losses on loans and advances | 20,981 | 14,375 |
| Other operating expenses | 15,344 | 13,240 |
| Operating expenses | 71,436 | 57,100 |
| Net result before tax | 26,569 | 24,009 |
| Profit tax expenses | (287) | 600 |
| NET RESULT AFTER TAX | 26,856 | 23,409 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2012

(All amounts expressed in thousands of Netherlands Antillean Guilders)

| | 2012 | 2011 |
|--|------------------|------------------|
| | ANG | ANG |
| Assets | | |
| Cash and due from banks | 344,766 | 323,942 |
| Investment securities | 209,369 | 242,828 |
| Loans and advances to customers | 1,096,280 | 816,963 |
| Customers' liability under acceptances | 30,282 | 23,047 |
| Bank premises and equipment | 9,005 | 9,895 |
| Intangible assets | 4,632 | 3,329 |
| Deferred tax assets | 780 | - |
| Other assets | 8,358 | 6,674 |
| Non-current assets held-for-sale | 4,475 | - |
| Total assets | 1,707,947 | 1,426,678 |
| Liabilities and equity | | |
| Customers' deposits | 1,445,953 | 1,217,574 |
| Due to other banks | 35,255 | 18,447 |
| Acceptances outstanding | 30,282 | 23,047 |
| Profit tax payable | 559 | 971 |
| Deferred tax liability | 8,123 | 11,209 |
| Provisions | 2,067 | - |
| Other liabilities | 19,013 | 16,490 |
| Total liabilities | 1,541,252 | 1,287,738 |
| Equity | | |
| Issued capital | 46,500 | 46,500 |
| Other reserves | 55,933 | 49,229 |
| Retained earnings | 64,262 | 43,211 |
| Total equity | 166,695 | 138,940 |
| TOTAL LIABILITIES AND EQUITY | 1,707,947 | 1,426,678 |

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

(All amounts expressed in thousands of Netherlands Antillean Guilders)

| | 2012 | 2011 |
|--|----------------------|----------------------|
| | ANG | ANG |
| Net result after tax | 26,856 | 23,409 |
| Other comprehensive income | | |
| Fair value changes (available-for-sale securities) | 218 | (1,690) |
| Income tax (charge) /credit relating to components of other comprehensive income | 812 | (760) |
| Adjustment after change in lawful profit tax rate | 2,274 | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>30,160</u> | <u>20,959</u> |

SPECIFICATION OF ACCOUNTS

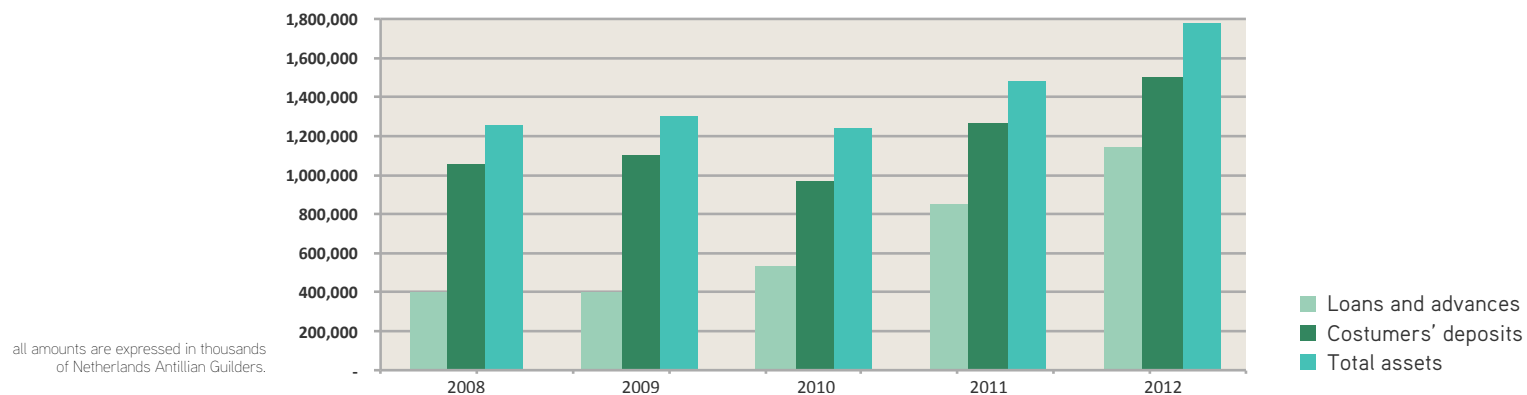
(All amounts expressed in thousands of Netherlands Antillean Guilders)

| | 2012 | 2011 |
|--|------------------|------------------|
| I. ASSETS | ANG | ANG |
| Investment securities | | |
| Securities available-for-sale | 199,073 | 231,795 |
| Financial assets held-for-trading | 10,296 | 11,033 |
| Total investment securities | 209,369 | 242,828 |
| Loans and Advances to customers | | |
| Corporate customers | 1,026,535 | 770,649 |
| Retail customers | 129,788 | 86,255 |
| Gross loans and advances to customers | 1,156,323 | 856,904 |
| Less: allowance for loan impairment | (60,043) | (39,941) |
| Net loans and advances to customers | 1,096,280 | 816,963 |
| II. LIABILITIES | | |
| Customers' deposits | | |
| Corporate customers | 1,240,125 | 1,000,967 |
| Retail customers | 205,828 | 216,607 |
| Total customers' deposits | 1,445,953 | 1,217,574 |

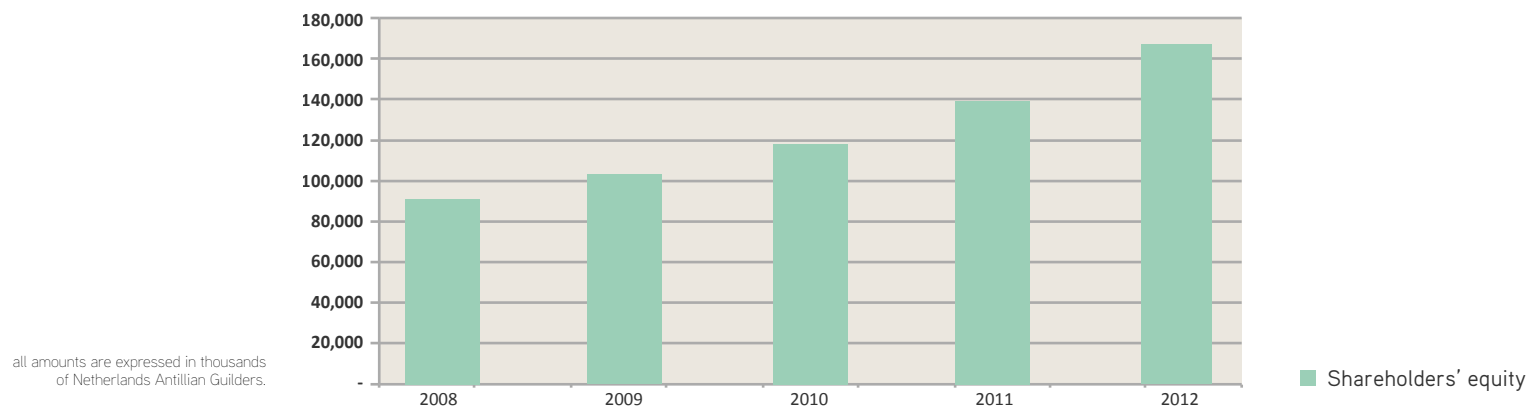


GRAPHS

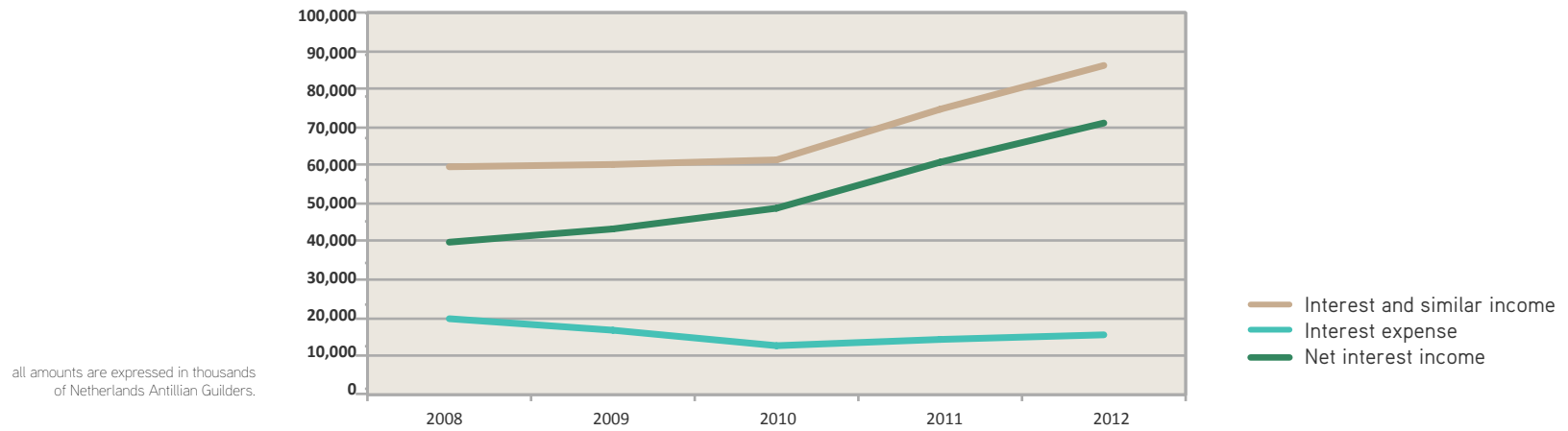
Loans and advances, Customers' deposits and Total assets



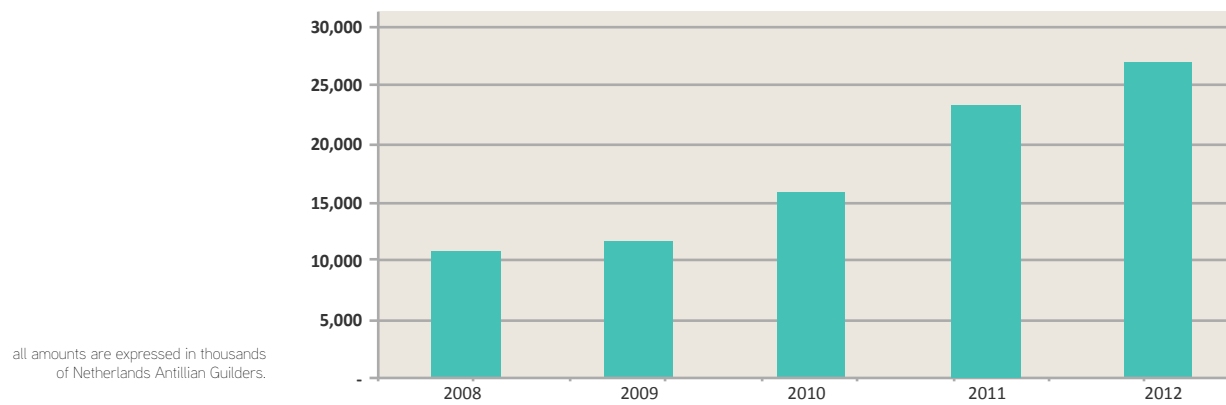
Shareholders' equity



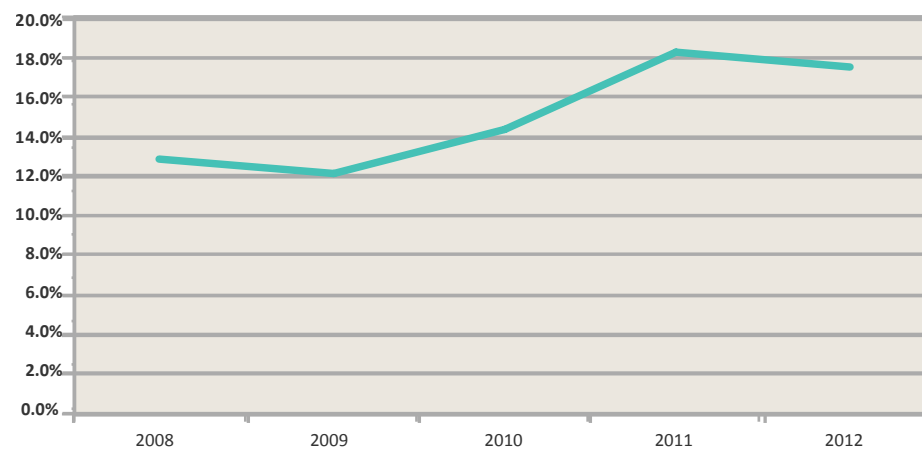
Interest income and expense



Net result after tax



Return on equity





EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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 An-

tilles 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. Restatement has been made for pension and other long term employee benefits. For financial statements presentation purposes, certain amounts reported in 2011 were reclassified to remain in conformity with the presentation in 2012.

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 December 31, 2012. 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.

Estimates

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 account-

ing 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. The Bank did not have financial assets classified as 'held-to-maturity' as of December 31, 2012 and 2011.

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.

'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 cost 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, 2012 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.

(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'.

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, 2012, 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, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated April 23, 2013.

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

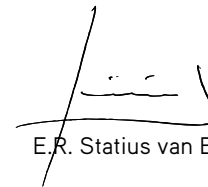
Our responsibility is to express an opinion on the consolidated financial highlights based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

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, 2012 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, April 23, 2013

for Ernst & Young Accountants



E.R. Status van Eps CPA

**SUPERVISORY DIRECTORS, MANAGEMENT,
SUBSIDIARIES AND BRANCHES GIROBANK**

BOARD OF SUPERVISORY DIRECTORS

Ivan de Windt

Willem van Bokhorst

Anthony Cijntje

David Hu

Philip Martis

Martin Silver

Dieudonné van der Veen

BOARD OF MANAGING DIRECTORS

Eric Garcia (President and Chief Executive Officer)

Stephen Capella (Managing Director and Chief Financial
and Operations Officer)

Richard Rajack (Managing Director and Chief
Commercial Officer)

Rochelle Monte (Assistant Managing Director)

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 Noorduynweg
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

Bonaire branch

Kaya L.D. Gerharts 12
Bonaire



GiRObank
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