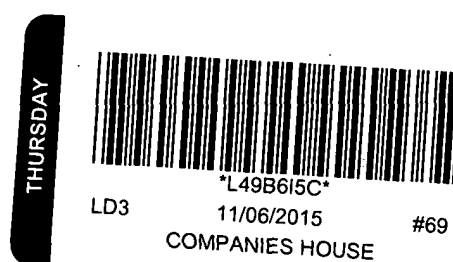


# NBNK INVESTMENTS PLC



**Annual Report and Financial Statements**

**For the year ended 31 December 2014**

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## **Chairman's review**

Our policy is to maintain the Company at minimal cost while we seek appropriate opportunities to make an acquisition in the European financial services sector. We have not identified any opportunities at this time that we felt would represent good value for shareholders, but the search continues. Shareholders will be kept advised as and when there are developments to report.

During the year, Wilbur Ross stood down as a director and chairman in order to comply with regulatory requirements arising from his appointment to another company's board. I took over from Wilbur, being well placed to do so having worked closely with him since the W L Ross & Co LLC first made the offer to inject new capital into the Company.

The well-known investor Crystal Amber quickly built a significant stake in the Company during the year and now holds some 28% of the ordinary shares. I, and Wilbur Ross before me, have been in regular contact with the leading shareholders, including Crystal Amber.

The board is mindful of the statement made at the capital raising in 2013. That is, if no acquisition is made by 11 January 2016, the directors will consider whether it is appropriate to return unused share capital to shareholders and/or wind-up the Company. Meanwhile, the board will again seek approval at the forthcoming AGM to continue to pursue the Company's investing policy.

Stephen L. Johnson  
Chairman

## **The Board**

### **Stephen L. Johnson, (Chairman, Non-executive Director)**

Stephen L. Johnson is a Principal at WL Ross & Co LLC. He has worked closely with Wilbur Ross on NBNK matters since certain funds managed by the WL Ross & Co Group acquired a significant holding in the Company in January 2013. A US citizen and graduate of the University of Southern California, Steve has worked in private equity for most of his career and has been with the WL Ross & Co Group since July 2007. He is also a director of Insuratex Ltd, a reinsurance vehicle, and was previously a director of Berkeley Point Capital, a multi-family lender for Government Sponsored entities in the U.S.

### **Lord Brennan of Bibury QC (Non-executive Director)**

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board, Chairman of Juridica Investments Limited, Chairman of Omega Business Solutions Pvt Limited and Vice Chairman of AJ Prospekt Capital Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

## Corporate Advisers

### Registered office

Fifth Floor  
100 Wood Street  
London  
EC2V 7EX  
Company number: 07303316

### Nominated Advisers

Cenkos Securities Plc  
6.7.8. Tokenhouse Yard  
London  
EC2R 7AS

### Company Secretary

Law Debenture Corporate Services Limited  
Fifth Floor  
100 Wood Street  
London  
EC2V 7EX

### Financial Advisers

Kinmont Advisory  
5 Clifford Street  
London  
W1S 2LG

### Solicitors

Travers Smith LLP  
10 Snow Hill  
London  
EC1A 2AL

### Registrars

Capita Asset Services  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire  
HD8 0LA

### Auditors

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

## Strategic report

The directors present their strategic report for the year ended 31 December 2014.

### Objective, business model and strategy

The Company's objective is to try and make a significant acquisition in the European financial services sector. It has raised a significant sum from shareholders for this purpose and the directors are engaged in seeking acquisition opportunities to meet its objective. If the objective is not met by 11 January 2016, the directors will consider whether it is appropriate to return unused funds to shareholders.

The business model is to run the Company at minimal cost. To that end, we retain only a registrar, company secretary and our NOMAD. We do pay to keep up the Company's proprietary and intellectual rights, its insurances, its telecom needs and its regulatory costs, but these costs are managed carefully.

### Review of 2014

During the year, the directors considered a number of possible acquisitions, but upon detailed examination (funded by the WL Ross Group) none of these were considered worthy of further development.

### Share capital

The Company's issued share capital was 53,771,229 ordinary shares of 10 pence each at 31 December 2014. The Company's warrant structure is as follows:

- Placee warrants – funds within the WL Ross Group own Placee warrants entitling them to subscribe for ordinary shares representing 2.4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants which provide subscription rights over 6.3584% of the fully diluted share capital;
- Placee B warrants – issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 8; and
- Founder warrants – Founder warrants in issue to certain shareholders give them an entitlement to subscribe for ordinary shares representing 2.5% of the fully diluted share capital of the Company.

The fully diluted share capital of the Company at the date of this report was 60,667,480.

### Corporate Governance

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance. Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board has operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company but without seeking compliance with any particular corporate governance code. As and when required, the composition of the board will be reviewed and if deemed necessary or appropriate, it will aim to comply with the full Code. For the time being, reflecting the status of the Company, our corporate governance report for the year ended 31 December 2014 is abbreviated to the following:

All of the directors, including the Chairmen, who served during the year are assessed by the board to be non-executive directors ('NEDs') and were independent throughout the period that they served. There were four board meetings, attended by all directors.

Reflecting the unusual circumstances of the Company during the period, the board did not operate any committees, instead taking on itself the work that committees would ordinarily undertake. All directors were present at all meetings that they were required to attend. Directors are subject to annual re-election by shareholders. There were engagement letters in place governing their appointments.

The board believes that it is not appropriate to have an internal audit function for as long as the Company continues to run on a streamlined basis.

#### **Key performance indicators ('KPIs')**

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's current status. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

Following an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would be the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### **Principal risks and uncertainties**

The principal risk for the Company remains that it fails to secure an acquisition. Should this be the case by 11 January 2016, the directors will review the position and consider if it is appropriate to return unused funds to shareholders and/or to wind up the Company.

Appropriate controls are in place to manage acquisition risk and the Company has in place access through the WL Ross Group to the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured.

#### **Risk management and internal control**

While the Company remains in pre-acquisition mode, the framework of internal controls is relatively simple. The main features of the Company's internal control and risk management systems are as follows:

- the board receives periodic reports from the company secretary and NOMAD about legal and regulatory developments and the steps that the board must take to comply;
- it reviews reports by the external auditors on the annual audit;

- the board ensures that proper accounting records are maintained so that it can rely on financial information it receives to make appropriate strategic and business decisions and that the Company's assets are safeguarded; and
- as required, reports are made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues.

The board believes that the systems of internal risk management and financial controls that it has in place are proportionate to the Company's operational status and provide reasonable assurance against fraud, mismanagement and against material mis-statement of loss.

#### **Directors' shareholdings**

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page 9.



By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

7 May 2015

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2014. The Company, which is listed on AIM, has one non-trading subsidiary (see note 16). Therefore, the financial statements at pages 12-28 relate to the Company's activities alone. The strategic report at pages 4 and 5 forms a part of this directors' report.

The directors of the Company who served in the year are:

Wilbur L. Ross, JR. (resigned 21 November 2014);  
Lord Brennan of Bibury QC; and  
Stephen L. Johnson (appointed 21 November 2014)

Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this).

### Results and dividends

The Company made a loss for the year of £182,000 (2013: profit of £136,000). Prior year's profits reflect the accounting gain made on the lapsed share based payments that year which had to be taken through profit and loss.

The directors do not recommend payment of a dividend (2013: nil).

### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 3% or more of the issued share capital of the Company as at 31 December 2014:

Name	% of issued share capital held
WL Ross and Co Funds	29.90
Crystal Amber	28.24
Invesco Asset Management	27.45
Baillie Gifford & Co	8.43

### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could

exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company.

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors.

### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The Board has established procedures to deal with conflicts and potential conflicts. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the Board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report.

### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the Board and shareholders. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements.

The annual general meeting will take place on Tuesday 9 June 2015 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 29. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

### Employee participation

The Company has no employees.



**Principal risks and uncertainties**

These are set out in the strategic report.

**Political donations**

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations.

**Statement of directors' responsibilities in relation to the financial statements**

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Website publication**

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Statement of information given to auditors**

The directors have confirmed that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Statement of going concern**

The directors have disclosed the current status of the Company. Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of assets. In the event that no such acquisition is achieved, the directors will determine whether it is appropriate for the Company to continue its activities. The Company remains able to meet its liabilities as they fall due. The directors closely monitor the cash resources of the Company and its contractual commitments and have resolved that should the Company not fulfil its objectives, then a solvent liquidation would take place.

Shareholders accepted, when the Company listed on AIM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

Notwithstanding the uncertainties in respect of the future direction of the Company, the directors have concluded that it is appropriate for the Company's accounts to be prepared on a going concern basis.

#### **Auditors**

A resolution will be proposed at the annual general meeting to re-appoint BDO LLP as auditors for the time being.



By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

7 May 2015

### **Remuneration Report**

Set out below is a Remuneration Report for NBNK Investments plc for 2014. All of the information in the report is historical. AIM listed companies are not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain parts of the report are required to be audited, however, and the relevant sections are clearly identified below.

#### **1. Remuneration Committee – membership and advisers**

Due to the current status of the Company, the board deems it unnecessary to operate a separate remuneration committee.

#### **2. The Company's remuneration policy**

The Company has no employees and will formulate an appropriate policy as and when it is necessary to do so. Non-executive directors will receive a nominal fee until such time as the Company makes an acquisition, following which an appropriate policy will be adopted.

#### **3. The Chairman**

The chairman from 1 January to 21 November 2014 was Wilbur Ross. He received a nominal, one off fee of £1 at appointment and received no other benefits. His contract was for a fixed term of three years (subject to annual re-election) expiring on 11 January 2016. He was not entitled to compensation upon ceasing office. Stephen Johnson became chairman on 21 November 2014 on these same terms.

#### **4. The Chief Executive Officer**

The Company has not had have a chief executive following the termination of Gary Hoffman's contract on 30 June 2012.

#### **5. Remuneration of non-executive directors**

Lord Brennan has a letter of appointment for a term until 16 January 2016 subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract of appointment is contingent on satisfactory performance and he may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). NEDs are expected to attend all meetings of the Board and any of the committees on which they served. Lord Brennan received an annual fee for the year of £10,000.

#### **6. Share incentive arrangements**

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis. Since the Company has no employees, these schemes are not in operation and there are no options outstanding.

## 7. Directors' emoluments for the year ended 31 December 2014

	Total salary/fees in 2014 £	Benefits other than cash £	Total receivable for 2014 £	Total received in 2013 £
W.L. Ross, Jr.*	-	-	-	1
S Johnson*	1	-	1	-
Lord Brennan	10,000	-	10,000	5,833
Total	10,001	-	10,001	5,834

In line with Company policy, no short term bonus payments were made to any member of the Board.

\* Wilbur Ross resigned and Stephen Johnson appointed on 21 November 2014.

No 2013 comparative data is shown for directors who served only for the first 11 days of 2013 (Lord Levene, Lord Forsyth and Gary Hoffman) because none of them received any remuneration or other benefits in 2013.

As at 31 December 2014, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £nil were paid (2013: £nil). There was a write-back of share based payments made in prior periods in the income statement totalling £nil (2013: £273,359).

## 8. Founder warrants

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent. of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share. None of the directors has personally received any Founder warrants.

## 9. Directors' shareholdings

At 31 December 2014, the directors of the Company had beneficial interests in the Company's ordinary shares as follows:

	<u>Ordinary shares</u>		<u>Placee B warrants *</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Lord Brennan	50,000	50,000	0.007	0.007

\* The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. The fair value of the warrants at 31 December 2014 is zero as set out at note 13 to the accounts.

\*\* Neither W.L. Ross, Jr. nor Stephen Johnson owns shares or warrants beneficially. Companies in the WL Ross Group own 16,077,597 ordinary shares, plus Placee warrants entitling them to subscribe for 2.4092% of the fully diluted share capital of the Company and Founder warrants entitling them to subscribe for a further 0.4859%.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments plc for the year ended 31 December 2014 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Daniel Taylor (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
London  
W1U 7EU  
United Kingdom

7 May 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Income statement

for the year ended 31 December 2014

	Note	Year ended 31 December 2014	Year ended 31 December 2013
		£000	£000
Interest income	3	50	77
Administrative expenses	2	(251)	78
<b>Operating (loss) / profit</b>		<b>(201)</b>	<b>155</b>
Decrease / (increase) in fair value of derivative financial liabilities	13	19	(19)
<b>(Loss) / profit before taxation</b>		<b>(182)</b>	<b>136</b>
Taxation	4	-	-
<b>(Loss) / profit for the year</b>		<b>(182)</b>	<b>136</b>
Earnings per share (pence) basic	5	(0.004)	0.003
Earnings per share (pence) diluted	5	-	0.003

## Statement of comprehensive income

for the year ended 31 December 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	£000	£000
<b>(Loss) / profit for year and total comprehensive (loss) / gain for the year</b>	<b>(182)</b>	<b>136</b>

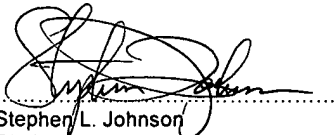
The notes at pages 16 – 28 form part of these financial statements.

# Statement of financial position

as at 31 December

	Note	2014 £000	2013 £000
<b>Current assets</b>			
Accrued income and prepaid expenses		9	11
Cash and cash equivalents	6	20,013	20,207
<b>Total current assets</b>		<b>20,022</b>	<b>20,218</b>
<b>Total assets</b>		<b>20,022</b>	<b>20,218</b>
<b>Current liabilities</b>			
Trade and other payables	7	47	42
Other taxation including social security		-	-
Derivative financial liabilities	13	-	19
<b>Total current liabilities</b>		<b>47</b>	<b>61</b>
<b>Total net assets</b>		<b>19,975</b>	<b>20,157</b>
<b>Equity</b>			
Called up share capital	8	5,377	5,377
Share premium	9	43,129	43,129
Capital redemption		45	45
Retained losses		(28,576)	(28,394)
<b>Total equity</b>		<b>19,975</b>	<b>20,157</b>

Approved and authorised for issue by the Board on 7 May 2015 and signed on its behalf by:

  
 Stephen L. Johnson  
 Chairman

The notes at pages 16 – 28 form part of these financial statements.

**Statement of changes in equity**  
for the year ended 31 December 2014

	Share capital	Share premium	Capital redemption	Accumulated losses	Total
	£000	£000	£000	£000	£000
<b>Total equity as at 1 January 2014</b>	<b>5,377</b>	<b>43,129</b>	<b>45</b>	<b>(28,394)</b>	<b>20,157</b>
Net loss and total comprehensive loss for the year	-	-	-	(182)	(182)
<b>Total equity as at 31 December 2014</b>	<b>5,377</b>	<b>43,129</b>	<b>45</b>	<b>(28,576)</b>	<b>19,975</b>

**Statement of changes in equity**  
for the year ended 31 December 2013

	Share capital	Share premium	Capital redemption	Accumulated losses	Total
	£000	£000	£000	£000	£000
<b>Total equity as at 1 January 2013</b>	<b>5,005</b>	<b>42,595</b>	<b>45</b>	<b>(28,256)</b>	<b>19,389</b>
Net profit and total comprehensive gain for the year	-	-	-	136	136
Share based payments	-	-	-	(274)	(274)
Issue of shares (net proceeds)	372	534	-	-	906
<b>Total equity as at 31 December 2013</b>	<b>5,377</b>	<b>43,129</b>	<b>45</b>	<b>(28,394)</b>	<b>20,157</b>

The notes at pages 16 – 28 form part of these financial statements.



## Statement of cash flows

for the year ended 31 December 2014

	Note	Year ended 31 December 2014	Year ended 31 December 2013
		£000	£000
<b>Operating activities</b>			
Operating (loss) / profit before taxation		(182)	136
Share based payments		-	(274)
(Decrease) / increase in fair value of derivative financial instruments	13	(19)	19
Decrease in receivables		2	139
Increase / (decrease) in payables		5	(230)
<b>Cash flow from operating activities</b>		<b>(194)</b>	<b>(210)</b>
<b>Financing activities</b>			
Net proceeds of increase in share capital		-	906
<b>Cash flow from financing activities</b>		<b>-</b>	<b>906</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(194)</b>	<b>696</b>
Cash and cash equivalents at 1 January		20,207	19,511
<b>Cash and cash equivalents at 31 December</b>		<b>20,013</b>	<b>20,207</b>

The notes at pages 16 – 28 form part of these financial statements.

# Notes to the accounts

## for the year ended 31 December 2014

### **1. Summary of significant accounting policies**

#### **General Information**

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a European financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### **Basis of preparation**

The financial statements of NBNK Investments plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments.

#### **Critical accounting estimates and judgements**

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### **Application of IFRS**

NBNK Investments plc was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. Its remit is now wider and includes the acquisition of a European financial services company. The Company has to date made no acquisitions. Until the Company commences operation it is not appropriate to set out the accounting policies which will be applicable to that business.

#### **New IFRSs, interpretations and amendments not yet effective**

Whilst the Company continues not to operate, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

#### **Segmental reporting**

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

#### **Financial instruments**

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

**Trade payables**

Trade payables are not interest bearing and are stated at their nominal value.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.

**Share capital**

Ordinary shares are classified as equity.

**Share based payments**

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

**Derivative financial instruments**

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

**Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if:

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments).

**Taxation**

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

**Revenue recognition****Interest income**

Interest income is accrued on a time basis using the effective interest rate applicable.

**Reserves**

A description of each of the reserves follows:

**Share premium**

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

**Capital redemption**

This reserve was created on the cancellation of deferred shares gifted to the Company.

**Accumulated losses**

Accumulated losses represent the current and prior year losses.

**Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders.

**2. Administrative expenses**

	2014	2013
	£000	£000
Administrative expenses include:		
Salaries and directors' fees	10	6
Auditor's remuneration – statutory audit of the Company	20	20

The Company had no employees during the year (2013: none).

**Remuneration of directors**

	2014	2013
	£000	£000
Directors' emoluments, which comprise the following, are included in administrative expenses:		
Non-executive directors' fees	10	6
Share based payments – options	-	(282)
Share based payments – Founder warrants	-	8
(Decrease)/increase in fair value of derivatives – Placee B warrants	(19)	19
	(9)	(249)

In line with Company policy, no short term bonus payments were made to any member of the Board.

The emoluments of the highest paid director totalled £10,000 (2013: £5,833)

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 8 - 9).

### 3. Interest

	2014	2013
	£000	£000
<b>Interest income</b>		
Interest on bank deposits	50	77
	50	77

### 4. Taxation

	2014	2013
	£000	£000
Taxation based on revenue for the year comprises:		
UK Corporation tax at 21.5% (2013: 23.25%)	-	-
	-	-

The charge for the year can be reconciled to the loss or profit per the income statement as follows:

	2014	2013
	£000	£000
(Loss) / profit before taxation	(182)	136
Tax on ordinary activities at standard rate 21.5% (2013: 23.25%)	(39)	32
Effects of:		
Losses considered not recoverable	39	-
Profit to be written off against prior year losses	-	(32)
	-	-

### Deferred Tax

The company has the following balances in respect of which no deferred tax asset has been recognised:

Tax losses	£19,682,132
Other temporary differences	£201,227

NBNK Investments Plc has unused tax losses of £19.7m in respect of management expenses (2013: £19.5m) for which no deferred tax is recognised in the balance sheet. If the deferred tax were recognised, at current tax rates this would amount to 20% of the unused tax losses (£3.94m).

No deferred tax asset has been recognised in the statement of financial position on 'other temporary differences' of £201k (2013: £201k) arising on accelerated capital allowances.

### 5. Earnings per share from operations

Loss per share from operations for the year is based upon the attributable loss of £182,701 (2013: profit of £135,860) and 53,711,229 (2013: 53,610,921) shares, being the weighted average number of shares in issue during the year. No diluted loss per share is provided as the weighted average number of shares in issue during the year is the same as the issued share capital, there being no options in issue.

## 6. Cash and cash equivalents

These comprise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

## 7. Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

## 8. Share capital

	2014	2013
	£000	£000
<b>Issued and fully paid share capital (ordinary shares, 10 pence each)</b>		
Value		
At 1 January	5,377	5,005
Net issued in the year	-	372
<b>At 31 December</b>	<b>5,377</b>	<b>5,377</b>
<b>Shares authorised and issued</b>		
	Number	Number
At 1 January	53,771,229	50,050,000
Net issued in the year	-	3,721,229
<b>At 31 December</b>	<b>53,771,229</b>	<b>53,771,229</b>

The Company has no other share capital in issue other than as disclosed above. All ordinary shares rank equally as to rights, including as to dividends and distribution of capital and have been issued fully paid. The Company does not hold any of its own shares and no shares are held for issue under options.

## 9. Share premium

	2014	2013
	£000	£000
At 1 January	43,129	42,595
On shares issued in the year	-	1,056
Related issue costs	-	(522)
<b>As at 31 December</b>	<b>43,129</b>	<b>43,129</b>

## 10. Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2014

	2014	2013
	£000	£000
<b>Assets</b>		
Cash and cash equivalents – held as loans and receivables	20,013	20,207
<b>Liabilities</b>		
Trade and other payables – held at amortised cost	47	42
Derivative financial liabilities (see note 13) – held at fair value through profit or loss	-	19
	47	61

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 13).

The principal risks facing the Company in respect of its financial instruments are:

- **interest risk**, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were 1% higher, the impact on the Company's loss for the year would have been to decrease it by £200,868 (2013: increase profit by £201,445). It is assumed that interest rates are unlikely to fall below the current level.
- **credit risk**, arising from the failure of another party to perform according to the terms of its contract. The Company reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum exposure to any single financial institution.
- **liquidity risk**, the directors do not believe that the Company is exposed to liquidity risk.



# 11. Share based payments - options

Details of share options outstanding are as follows:

	2014	
		Weighted average price Pence
At 1 January 2014	-	-
Granted during the year	-	-
Lapsed / exercised during the year	-	-
<b>Outstanding at 31 December 2014</b>	-	-
<b>Exercisable at 31 December 2014</b>	-	-

	2013	
		Weighted average price Pence
At 1 January 2013	200,000	10
Granted during the year	-	-
Lapsed / exercised during the year	(200,000)	10
<b>Outstanding at 31 December 2013</b>	-	-
<b>Exercisable at 31 December 2013</b>	-	-

## 12. Share based payments – founder warrants

Founder warrants, entitling holders to subscribe for 2.5% of the Company's fully diluted share capital at 130 pence per ordinary share were issued in January 2013. The Company is obliged to treat some of these under IFRS2 as share based payments for accounting purposes on the ground that they are in effect, a payment for services rendered to the Company having been issues to the Company's advisers, Kinmont and Cenkos. Other Founder warrants issued to shareholders on 11 January 2013 have been treated as derivative financial instruments, see note 13.

Details of affected Founder warrants outstanding at 31 December 2014 are as follows:

		2014
		Weighted average price
		Pence
At 1 January 2014	535,860	130
Granted during the year	-	-
Lapsed / exercised during the year	-	-
<b>Outstanding at 31 December 2014</b>	<b>535,860</b>	<b>130</b>
<b>Exercisable at 31 December 2014</b>	<b>535,860</b>	<b>130</b>

		2013
		Weighted average price
		Pence
At 1 January 2013	489,635	130
Granted during the year	535,860	130
Lapsed / exercised during the year	(489,635)	130
<b>Outstanding at 31 December 2013</b>	<b>535,860</b>	<b>130</b>
<b>Exercisable at 31 December 2013</b>	<b>535,860</b>	<b>130</b>

The options have been fair valued using the Black Scholes valuation model. Assumptions used are as follows:

	<b>2014</b>
Expected volatility	<b>44.00%</b>
Risk free interest rate at grant	<b>0.59%</b>
Dividend yield	<b>0%</b>
Expected life	<b>2 years</b>

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents. The expected life is based on the cut-off date for an investment post restructure.

### 13. Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7.4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration. On 11 January 2013, additional Placee and Founder warrants were issued as described in the Strategic Report. Founder warrants issued to shareholders are treated as derivative financial liabilities.

		2014
		Weighted average price
Placee and Placee B warrants		Pence
At 1 January 2014	5,379,564	100
Increase during the year	-	-
Lapsed / exercised during the year	-	-
<b>At 31 December 2014</b>	<b>5,379,564</b>	<b>100</b>
<b>Exercisable at 31 December 2014</b>	<b>5,379,564</b>	<b>100</b>

		Weighted average price
Founder warrants - non-share based payments		Pence
At 1 January 2014	982,813	130
Increase during the year	-	-
Lapsed / exercised during the year	-	-
<b>At 31 December 2014</b>	<b>982,813</b>	<b>130</b>
<b>Exercisable at 31 December 2014</b>	<b>982,813</b>	<b>130</b>

	£000
<b>Fair value</b>	
At 1 January 2014	19
Decrease in fair value credited to income statement	(19)
<b>At 31 December 2014</b>	-

		2013
		Weighted average price
Placee and Placee B warrants		Pence
At 1 January 2013	4,493,213	100
Increase during the year	906,371	100
Lapsed / exercised during the year	(20,020)	-
At 31 December 2013	5,379,564	100
Exercisable at 31 December 2013	5,379,564	100

		Weighted average price
Founder warrants - non-share based payments		Pence
At 1 January 2013	-	-
Increase during the year	986,469	130
Lapsed / exercised during the year	(3,656)	1
At 31 December 2013	982,813	130
Exercisable at 31 December 2013	982,813	130

	£000
Fair value	
At 1 January 2013	-
Increase in fair value credited to income statement	19
At 31 December 2013	19

The share warrants, including Placee, Placee B and non-share based payment Founder warrants, have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows:

	2014
Expected volatility	28.00%
Risk free interest rate – at issue date	1.19%
– at 31 December 2014	0.31%
Dividend yield	0%
Expected life	1 year

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents.

**14. Related party transactions**

In the opinion of the board, the related parties are the directors. There were no related party transactions during the year other than those disclosed in Note 2.

**15. Financial commitments**

The Company has no financial commitments.

**16. Investment in subsidiary**

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the fifth Annual General Meeting of NBNK Investments plc (the "**Company**") will be held on 9 June 2015 at 2:00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 and 9 of which will be proposed as ordinary resolutions and numbers 7 and 8 of which will be proposed as special resolutions:

1. **THAT** the Company's audited financial statements for the year ending 31 December 2014, together with the directors' report, strategic report and the auditor's report on those statements, be received.
2. **THAT** Stephen Johnson be elected as a director of the Company.
3. **THAT** Lord Brennan of Bibury be re-elected as a director of the Company.
4. **THAT** BDO LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company.
5. **THAT** the directors be authorised to determine the auditor's remuneration.
6. **THAT** for the purposes of section 551 of the Companies Act 2006 (the "**Act**") (and so that expressions used in this resolution bear the same meanings as in the said section 551):
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,790,581.93 to such persons and at such times and on such terms as they think proper, during the period expiring, unless previously revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company;
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,790,581.93 during the period expiring, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - (3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551 be and are hereby revoked.

7. **THAT**, subject to the passing of resolution 6 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 6 above as if section 561(1) and sub-sections (1) - (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:

- (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 6(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
- (2) the allotment (otherwise than pursuant to paragraph 7(1) above) of equity securities up to an aggregate nominal value not exceeding £268,856;

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

8. **THAT** the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that:

- (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,377,122;
- (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof;
- (3) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent. above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out;
- (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company; and
- (5) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract.

9. **THAT** the Company be and is hereby generally and unconditionally authorised to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012,



until such time as the investing policy has been substantially implemented, provided that this power shall expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

7 May 2015

Registered office:

Fifth Floor  
100 Wood Street  
London  
EC2V 7EX

Registered company no. 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may:
  - a. use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at [www.capitashareportal.com](http://www.capitashareportal.com), in each case no later than 2.00pm on 5 June 2015 (being not less than 48 hours before the meeting excluding non-working days); or
  - b. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 8 below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 5 June 2015 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The Company has an issued share capital at 7 May 2015 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 7 May 2015 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution:

**Resolution 1 – annual report, strategic report and audited financial statements (ordinary resolution).** It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report, strategic report and the audit report. The report and financial statements cover the year ending 31 December 2014.

**Resolutions 2 - 3 – election and re-election of directors (ordinary resolutions).** The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the

articles of association of the Company, Stephen Johnson was appointed as a director by the Board on 21 November 2014 and he now seeks election. Lord Brennan (who has been a director since 16 July 2010) is also seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the election and re-election of the directors.

**Resolutions 4 and 5 – appointment of auditors and determination of their remuneration (ordinary resolutions).** The Company is required to appoint auditors at each annual general meeting at which financial statements are presented, to hold office until the conclusion of the next such meeting. The Board first appointed BDO LLP as auditors for the Company's annual report and financial statements in 2010 and is satisfied with the way that audits have been conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 5 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

**Resolution 6 – general authority to allot shares (ordinary resolution).** The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,581,163.85, being approximately 66.6 per cent. of the nominal value of the issued ordinary share capital of the Company as at 7 May 2015 (being the latest practical date prior to publication of this notice of annual general meeting). £1,790,581.93 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company in 2016. The directors have no present intention of exercising such authority. All previous authorities of the directors pursuant to section will be revoked.

**Resolution 7 – disapplication of statutory pre-emption rights (special resolution).** If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 8, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 7 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £268,856 (being 5 per cent. of the Company's issued ordinary share capital as at 7 May 2015 (being the latest practicable date prior to publication of this notice of annual general meeting)) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 6(1) and/or 6(2), and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting of the Company, in 2016.

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,688,561 Ordinary Shares other than on a pre-emptive basis.

**Resolution 8 - Purchases of own shares by the Company (special resolution).** Resolution 8 seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent. of the ordinary shares in issue as at 7 May 2015 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent. above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary shares will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in

issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury.

**Resolution 9 – Authorisation to continue investing policy (ordinary resolution).** Resolution 9 seeks authority from holders of ordinary shares for the Company to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented. Under Rule 8 of the AIM Rules for Companies, companies (such as NBNK Investments plc) whose primary business is, *inter alia*, the acquisition of one or more other businesses or companies, are required to seek shareholder approval to continue the pursuit of that business if they have not substantially completed their strategy within 18 months of admission to trading on AIM. The Company accordingly seeks approval to continue with its investing policy. If granted, this power will expire at the end of the next Annual General Meeting of the Company, unless sooner revoked or varied by the Company in general meeting.

- (8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message must be transmitted so as to be received by the issuer's agent, Capita Asset Services (ID RA10), by 2.00pm on 5 June 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).