

NEUBERGER BERMAN

ANNUAL REPORT

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012
AND PERIOD ENDED 31 DECEMBER 2011

NB Global Floating Rate Income Fund Limited

PARTNERING WITH CLIENTS FOR OVER 70 YEARS

ANNUAL REPORT

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COMPANY OVERVIEW

The Company’s investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst preserving the capital value of its investment portfolio, utilising the investment skills of Neuberger Berman Europe Limited (the “Investment Manager”) and Neuberger Berman Fixed Income LLC (the “Sub-Investment Manager”).

To pursue its investment objective, the Company invests mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by North American and European Union corporations, partnerships and other business issuers. These loans will at the time of investment often be non-investment grade.

For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. All references to the Company in this document refer to the Company together with its wholly owned Luxembourg subsidiaries.

<p><u>Company</u> <u>(as at 31 December 2012)</u></p>	<p>NB Global Floating Rate Income Fund Limited (the “Company”)</p> <ul style="list-style-type: none"> • Guernsey incorporated, closed-ended investment company • Admitted to the Official List of the UK Listing Authority and to trading with a premium listing on the Main Market of the London Stock Exchange on 20 April 2011 • Pays dividend quarterly • Current dividend yield of 4.9% • Conversion of 5,511,010 U.S. Dollar C Shares into 5,797,522 U.S. Dollar Ordinary Shares in issue and conversion of 115,899,186 Sterling C Shares into 122,146,117 Sterling Ordinary Shares on 13 January 2012 • Ordinary Shares in issue (USD 83,143,330 / GBP 397,393,734) • The Company was admitted to the FTSE 250 in March 2012
<p><u>Investment Manager</u> <u>and Sub-Investment Manager</u> <u>(as at 31 December 2012)</u></p>	<p>Neuberger Berman Europe Limited (the “Investment Manager”)</p> <p>Neuberger Berman Fixed Income LLC (the “Sub-Investment Manager”)</p> <ul style="list-style-type: none"> • A large team of over 109 fixed income investment professionals • Portfolio Managers have an average of 20 years of industry experience • Total fixed income assets of over \$96 billion • Over \$26 billion in high yield bonds and loans • Non-investment grade research team of over 20 analysts

ANNUAL REPORT**KEY FIGURES**

(US\$ in millions, except per share data)	At 31 December 2012	At 31 December 2011
Net Asset Value attributable to U.S. Dollar shareholding		
- Ordinary Shares	\$83.2	\$131.2
- C Shares	-	\$5.5
Net Asset Value attributable to Sterling shareholding		
- Ordinary Shares	\$642.8	\$346.5
- C Shares	-	\$178.5
Net Asset Value per share attributable to U.S. Dollar shareholding		
- Ordinary Shares	\$1.0007	\$0.9497
- C Shares	-	\$0.9913
Net Asset Value per share attributable to Sterling shareholding		
- Ordinary Shares	£0.9952	£0.9479
- C Shares	-	£0.9912
Investments	\$714.9	\$647.0
Cash and Cash Equivalents	\$20.5	\$64.3
Dividend Yield – USD Ordinary Shares	4.94%	5.01%
– GBP Ordinary Shares	4.96%	5.02%

DIRECTORS, MANAGER AND ADVISERS

Directors

William Frewen (Chairman)
Sandra Platts
Richard Battey

All c/o the Company's registered office.

Designated Manager, Administrator, Custodian and Company Secretary

BNP Paribas Fund Services (Guernsey) Limited
BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

Investment Manager

Neuberger Berman Europe Limited
4th Floor, 57 Berkeley Square
London
United Kingdom
W1J 6ER

Joint Broker

Oriel Securities Limited
150 Cheapside
London
United Kingdom
EC2V 6ET

Solicitors to the Company (as to English law and U.S. securities law)

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
United Kingdom
EC2A 2HS

Independent Auditors

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Gategny Esplanade
St. Peter Port
Guernsey
GY1 4ND

Registered Office

BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

Registrar

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey
GY2 4LH

Sub-Investment Manager

Neuberger Berman Fixed Income LLC
190 S LaSalle Street
Chicago IL 60603
United States of America

Joint Broker

Dexion Capital plc
1 Tudor Street
London
United Kingdom
EC4Y 0AH

Advocates to the Company (as to Guernsey law)

Carey Olsen
PO Box 98
Carey House
Les Banques
St. Peter Port
Guernsey
GY1 4BZ

Principal Bankers

BNP Paribas Securities Services S.C.A. – Guernsey Branch
BNP Paribas House
1 St. Julian's Avenue
St. Peter Port
Guernsey
GY1 1WA

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CHAIRMAN'S STATEMENT

Dear Shareholder,

I have pleasure in presenting you with the Annual Report of NB Global Floating Rate Income Fund Limited ("the Company") for the year ended 31 December 2012.

Portfolio and Company performance

Building on the solid start that your Company made in 2011, the Board remains pleased with the progress made by the Investment Manager. The portfolio remains fully invested, with a strong US bias. As at 31 December 2012, 93.91% of the Company was invested in US Dollar denominated assets, with 4.55% invested in euro denominated assets and 1.54% in cash.

The Investment Manager has constructed a diversified portfolio of loan investments. At the end of the reporting period, the portfolio had 182 holdings across 147 issuers in 33 different sectors.

Between 31 December 2011 and 31 December 2012, the Company's NAV rose by 5.37% and 4.99% for the U.S. Dollar and Sterling series of Ordinary Share Class respectively. The NAV returned plus dividends declared in the period was 10.60% and 10.23% for the U.S. Dollar Shares and Sterling Shares respectively. As at 31 December 2012, the share price was trading at a premium of 1.93% for the USD and 0.78% for the GBP. I am pleased to report that the share price traded at a premium to NAV for a large majority of the year.

During 2012, the dividend yield of the Company was 4.94% and 4.96% for the USD Ordinary Shares and GBP Ordinary Shares respectively, which is around the Company's 5% target range. The Company's expectation is that, if market conditions and interest rates remain at their current levels, the annualised dividend will remain constant also.

Outlook for the rest of the financial year

Looking to 2013, your Board continues to be satisfied with the portfolio's performance to date and the strategy that is being applied by the Investment Manager. The Investment Manager will continue to update you on the Company's progress by way of the quarterly fact sheets and Investment Manager updates.

During the first quarter of 2013, the Company raised gross proceeds of approximately £363 million (approximately \$550 million) by means of a Placing and Offer for Subscription of C Shares. On 26 March 2013, 363,549,886 Sterling C Shares started trading on the main market of the London Stock Exchange. In accordance with the Company's Prospectus dated 19 February 2013, once the net proceeds of the C Shares are substantially fully invested, the C Shares will be converted into Ordinary Shares and subsequently admitted to the premium segment of the Official List together with the existing Ordinary Shares. The conversion of the C Shares will be no later than 25 September 2013.

I would like to close by thanking you for your commitment and I look forward to updating you on the Company's progress later on this year.

Principal risks and related parties

The Principal risks of the Company remain unchanged from last year and are largely highlighted on page 12 of these Financial Statements.

The Investment Manager's Report details their view on the current investment portfolio and their views on the investment pipeline and the wider developments and challenges in the loan market environment.

Note 4 to these Financial Statements discloses the Related Party transactions in the 12 months to 31 December 2012.

William Frewen
Chairman
12 April 2013

INVESTMENT MANAGER'S REPORT

The Investment Manager remains pleased with the performance of NB Global Floating Rate Income Fund Limited ("the Company") for the year to 31 December 2012.

As at 31 December 2012, the Company was fully invested in 182 investments across 147 issuers. Industry diversification remains strong with the Company invested across 33 sectors, with no single one sector representing more than 11% of the portfolio. The credit quality of the portfolio remains in line with our expectations, with 39.29% of the Company being invested in Ba rated investments, and 54.74% in B rated investments.

During the year, and particularly during the second half, the Company reduced the potentially volatile components of the portfolio. Bond exposure dropped from 12.6% at the end of 2011 to 6.96% at the end of 2012, which reflects both the convergence of loan and bond spreads and also profit-taking as markets rallied. The Company's non-US exposure has come down dramatically from 11.9% at the end of 2011 to 4.55% currently. This reflected some profit-taking, but also concerns about the European macro-economic situation.

Between 31 December 2011 and 31 December 2012, the Company's NAV rose by 5.37% and 4.99% for the U.S. Dollar and Sterling series of Ordinary Share Class respectively. The NAV returned plus dividends declared in the period was 10.60% and 10.23% for the U.S. Dollar Shares and Sterling Shares respectively. As at 31 December 2012, the share price was trading at a premium of 1.93% for the USD shares and 0.78% for the GBP shares.

During the year, the Company declared four dividends, which were paid in February, May, August and November. Post the year-end, the Company declared a further dividend, which was paid to investors on 22 February 2013.

During 2012, the dividend yield of the Company was 4.94% and 4.96% for the USD Ordinary Shares and GBP Ordinary Shares respectively, which is around the Company's 5% target range. The Company's expectation is that, if market conditions and interest rates remain at their current levels, the annualised dividend will remain constant also.

Market Environment

The loan markets in both the US and Europe saw strong demand throughout the year as investors looked for opportunities to earn a decent running yield, whilst limiting downside risk and duration in portfolios, which led some to switch into loans from both investment grade and high yield bond portfolios.

In the US, the S&P/LSTA Loan Index returned 9.66% for the year with the majority of the return generated in the first and third quarters. Larger loans, as represented by the S&P/LSTA 100, outperformed the overall market slightly at 10.50%. By ratings, CCC's led the way with an 18.35% return followed by single-B's at 10.42% and double-B's at 7.17%. In Europe the S&P European Leveraged Loan Index (ELLI) returns were similarly robust at 9.48% for the year with Q1 and Q3 also being the prime drivers at 4.36% and 2.33% respectively.

Flows into the loan market in the US were strong, totalling \$53.5bn from CLOs and \$8.5bn from mutual funds. Additionally, whilst difficult to formally track, pension funds and relative value investors are thought to have been investing \$1-2bn per month through the year. This demand has been met by strong new issuance which ended the year at \$295bn (up from \$231bn last year), the third best year on record. The majority of this was related to refinancings and dividend recapitalisations. As a result, the maturity wall that was seen as a major issue for the asset class a few years ago continues to be eroded with just \$48 billion of maturities due by year-end 2014 (vs. the loan market of \$551 billion). The buoyant picture in the US was not replicated in Europe where we saw only €15 billion of new institutional loan issuance in the year.

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INVESTMENT MANAGER'S REPORT (continued)

Market Environment (continued)

Defaults in the S&P/LSTA Loan Index moved up from 0.17% at the end of 2011 to 1.27% by the end 2012 but remain well below the long-term average of 3.31%. We believe defaults will continue to move up in the coming years but still remain below the long-term average. Our default forecast of 2.0% in the US for 2013 is driven by the overall health of our investable universe, including strong free cash flow generation, solid liquidity positions and minimal pending maturities. Our European view is not as positive and we do think that a number of European issuers will continue to have fundamental operational/liquidity issues given the more negative macro picture in the continent. We forecast a default rate in Europe of between 5–7% for the coming 12 months with the current trailing rate being 6.6%.

Neuberger Berman Europe Limited
12 April 2013

BOARD OF DIRECTORS

Directors

The Board is comprised of three independent non-executive Directors including the Chairman William Frewen. The biographical details of the Directors holding office at the date of this report are listed below and demonstrate a breadth of investment, accounting and professional experience. The performance of the Company is considered in detail at each board meeting. The Board is considered independent of the Investment Manager. The Board meets at least four times each year and deals with the important aspects of the Company's affairs, including the setting and monitoring of the investment strategy and the review of investment performance.

The Directors were all appointed on 10 March 2011. William Frewen was re-elected as Chairman, Richard Battey and Sandra Platts were re-elected as Directors at the Annual General Meeting held on 19 June 2012.

The Directors' details are as follows:

William Frewen (Chairman)

William Frewen is a resident of the United Kingdom and has extensive experience in the fixed income sector. William worked in a number of roles at Chemical Bank, Credit Suisse First Boston Limited and HSBC Bank plc from 1984 to 1998 before becoming head of Fixed Income Trading and deputy head of Capital Markets at Nomura International plc from 1998 to 2001. He served as the non-executive Chairman of Playgolf Holdings plc from 2004 to 2007, a company that was admitted to AIM in 2004 under his chairmanship. William also acted as a consultant to Man Group plc from 2005 to 2006 before becoming an executive member of the board and head of Fixed Income at Threadneedle Asset Management from 2007 to 2010.

Richard Battey (Chairman of the Audit Committee)

Richard Battey is a resident of Guernsey and is a non-executive director and Chairman of the Audit Committee of Acencia Debt Strategies Limited, Better Capital PCC Limited, Juridica Investments Limited, Princess Private Equity Holding Limited and Prospect Japan Fund Limited. He is a non-executive director of Pershing Square Holdings Limited. He is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified with Baker Sutton & Co. in London in 1977. Richard has been a non-executive director of a number of investment companies and funds since leaving CanArgo Energy Corporation in 2006 where he was Chief Financial Officer. Prior to that role, he spent 27 years with the Schroder Group. Richard was a director of Schroders (C.I.) Limited in Guernsey from April 1994 to December 2004 where he served as Finance Director and Chief Operating Officer. He was a director of a number of the Schroder Group's Guernsey companies covering banking, investment management, trusts, insurance and private equity administration, retiring from his last Schroder directorship in December 2008.

Sandra Platts (Chairman of the Management Engagement Committee and the Remuneration and Nomination Committee)

Sandra Platts is a resident of Guernsey and is a non-executive director of Investec Bank (C.I.) Ltd and Starwood European Finance Partners Ltd. Sandra was Managing Director of Kleinwort Benson in Guernsey and Chief Operating Officer for Kleinwort Benson Private Banking Group (UK and Channel Islands). She also held directorships of the Kleinwort Benson Trust Company and Operating Boards, retiring from Kleinwort Benson boards in 2010. Sandra holds a Masters in Business Administration and The Certificate in Company Direction from the Institute of Directors.

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DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT

Report

The Directors present their report and the consolidated financial statements of the Company for the year ended 31 December 2012 and the period ended 31 December 2011.

Principal Activities and Business Review

The principal activity of the Company is to carry out business as an investment company. The Directors do not envisage any changes in this activity for the foreseeable future.

The following review is designed to provide information primarily about the Company's business, the principal risks and uncertainties it faces and results for the year. The review should be read in conjunction with the Chairman's Statement and with the Investment Manager's Report, which give a detailed review of the investment activities for the year and an outlook on the future.

Structure

The Company is a Guernsey Registered Closed-ended Collective Investment Scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and the Registered Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission. It was incorporated and registered with limited liability in Guernsey on 10 March 2011, with registration number 53155. The Company commenced business on 15 April 2011 when the initial 107,220,280 U.S. Dollar Ordinary Shares and 243,973,227 Sterling Ordinary Shares were admitted with a premium listing to the Official List of the UK Listing Authority (the "UKLA") and commenced trading on the Main Market of the London Stock Exchange on 20 April 2011.

Following a Placing and Offer for Subscription of C Shares, the Company issued 5,511,010 USD C Shares and 115,899,189 GBP C Shares, which were admitted with a premium listing to the Official List of the UKLA, and commenced trading on the Main Market of the London Stock Exchange on 5 October 2011.

On 5 January 2012, the Company announced a Conversion ratio for the conversion of C Shares into Ordinary Shares. The conversion ratio, based on the NAV of each share class as at 31 December 2011, (as calculated in accordance with the Company's prospectus dated 7 September 2011 (the "Prospectus")), was 1.05390 Sterling Ordinary Shares for every one Sterling C Share held, and 1.05199 Dollar Ordinary Shares for every one Dollar C Share held. On this basis an application was made to the UK Listing Authority for 122,146,117 Sterling Shares and 5,797,522 US Dollar Shares (together the "New Shares") to be admitted to the Official List. Application was also made for the New Shares to be admitted to trading on the London Stock Exchange, which became effective when the dealings in the New Shares commenced on 17 January 2012. The C Shares were permanently removed from trading on the London Stock Exchange with effect from the opening of trading at 8:00 a.m. on 17 January 2012.

The Company is a member of the Association of Investment Companies (the "AIC") and is classified within the Debt Category.

For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à r.l.

The Directors are presenting consolidated results for the Group, but use the term "Company" throughout this report to describe the consolidated results and activities of the Group which include the results of its Luxembourg subsidiaries.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Investment Objective

The Company's investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Manager and the Sub-Investment Manager.

Investment Policy

To pursue its investment objective, the Company invests mainly in floating rate senior secured loans issued in U.S. Dollars, Sterling and Euros by North American and European Union corporations, partnerships and other business issuers. These loans are at the time of investment often non-investment grade. The Company considers debt instruments to be non-investment grade if, at the time of investment, they are rated below the four highest categories by at least two independent credit ratings agencies or, if unrated, are deemed by the Investment Manager to be of comparable quality.

The Company generally seeks to focus on loans of issuers that the Investment Manager believes have the ability to generate cash flow through a full business cycle, maintain adequate liquidity, possess an enterprise value in excess of senior debt and have access to both debt and equity capital.

The Company also makes investments in senior bonds on an opportunistic basis if the Investment Manager believes that such investments are attractively valued, up to a maximum in aggregate of 20% of the Net Asset Value at the time of investment, provided that no more than 10% of Net Asset Value may be invested in unsecured senior bonds at the time of investment.

Financial Review

At 31 December 2012, the Net Assets of the Company amounted to \$726,059,303. The Net Asset Value of the U.S. Dollar Ordinary share amounted to \$83,205,616 and the Net Asset Value per U.S. Dollar Ordinary share was \$1.0007. The Net Asset Value of the Sterling Ordinary share amounted to £395,493,478 (\$642,853,687) and the Net Asset Value per Sterling Ordinary share was £0.9952 (\$1.6177). Details on individual share class returns are under Note 9.

Gearing and Derivatives

The Company does not normally employ gearing or derivatives for investment purposes. The Company may, from time to time, use borrowings for share buy backs and short-term liquidity purposes. The Directors will restrict borrowing to an amount not exceeding 20% of the Net Asset Value at the time of drawdown. Derivatives may be used for foreign exchange hedging purposes.

Dividends

The Company pays dividends to Shareholders equal to the cash income it receives less its running costs paid in that year, subject to the solvency test prescribed by Guernsey law. Distributions are made by way of interim dividends with respect to each calendar quarter. Dividends are paid in the currency of the class of shares in respect of which the dividend was declared.

The Board and the Investment Manager will target an annualised yield per share in the region of 5% based on dividends and NAV over the period.

The Articles of Incorporation also permit the Directors, in their absolute discretion, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend is offered, an electing Shareholder is issued new, fully paid up shares (or shares reissued from treasury) pursuant to the scrip dividend alternative, calculated by reference to the higher of (i) the prevailing average mid-market quotation of the shares on the Daily Official List of the London Stock Exchange over five trading days; or (ii) the Net Asset Value per Share, at the relevant time. The scrip dividend alternative is available only to those Shareholders to whom shares might lawfully be marketed by the Company. The Directors' intention is not to offer a scrip dividend at any time that the shares trade at a material discount to the Net Asset Value per Share.

ANNUAL REPORT**DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)**

The Company has declared and paid the following dividends to its shareholders since inception:

Period	Date declared	Payment date	U.S. Dollar Share	Sterling Share
Period 20 April 2011 to 30 September 2011	12 October 2011	9 December 2011	\$0.01486	£0.01486
Quarter ended 31 December 2011	5 January 2012	24 February 2012	\$0.01187	£0.01187
Special dividend (to C shareholders only at the Conversion of C Shares)	5 January 2012	24 February 2012	\$0.00323	£0.00323
Quarter ended 31 March 2012	12 April 2012	25 May 2012	\$0.01260	£0.01260
Quarter ended 30 June 2012	5 July 2012	24 August 2012	\$0.01310	£0.01310
Quarter ended 30 September 2012	3 October 2012	23 November 2012	\$0.01210	£0.01210
Quarter ended 31 December 2012	9 January 2013	22 February 2013	\$0.01160	£0.01160
Quarter ended 31 March 2013	8 April 2013	24 May 2013	\$0.01220	£0.01220

The Company has issued the following Ordinary Shares under Scrip Dividend Alternative since inception:

Period	Number of U.S. Dollar Shares	Number of Sterling Shares	U.S. Dollar Share	Sterling Share
Quarter ended 30 September 2011	91,565	710,833	\$0.95880	£0.96320
Quarter ended 31 December 2011	68,398	592,380	\$0.95300	£0.95760
Quarter ended 31 March 2012	84,444	14,653	\$0.99300	£1.00020
Quarter ended 30 June 2012	97,572	792,651	\$0.97840	£0.97160
Quarter ended 30 September 2012	91,479	567,376	\$1.00400	£0.99030
Quarter ended 31 December 2012	25,900	821,100	\$1.02000	£1.00650

Payment of Suppliers

It is the payment policy of the Company to obtain the best possible terms for all business for each relevant market in which it operates and, therefore, there is no single policy as to the terms used. In general, the Company agrees with its suppliers the terms on which business will take place and it is the Company's policy to abide by such terms. There were trade creditors of \$80,395,387 as at 31 December 2012 (31 December 2011: \$70,618,004).

The Bribery Act 2010

The Board of the Company has adopted a zero tolerance approach to instances of bribery and corruption. Accordingly, it expressly prohibits any Director or associated persons when acting on behalf of the Company, from accepting, soliciting, paying, offering or promising to pay or authorise any payment, public or private, in the United Kingdom or abroad to secure any improper benefit for themselves or for the Company.

The Board insists on the same standards from its service providers in their activities for the Company.

A copy of the Company's Anti-Bribery and Corruption Policy can be found on its website at www.nbgfrif.com

Future Developments

While the future performance of the Company is dependent, to a large degree, on the performance of international financial markets, which, in turn, are subject to many external factors, the Board's intention is that the Company will continue to pursue its stated investment objective in accordance with the strategy outlined above. Further comments on the outlook for the Company for the next twelve months are set out in both the Chairman's Statement and the Investment Manager's Report.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Future Developments (continued)

On 14 January 2013, the Board of the Company announced the consideration of raising additional capital through an issue of C Shares.

On 21 March 2013, the Board of the Company announced that the Company had raised gross proceeds of approximately £363 million (approximately \$550 million) by means of a Placing and Offer for Subscription of C Shares. On 26 March 2013, 363,549,886 Sterling C Shares started trading on the Main Market of the London Stock Exchange. In accordance with the Company's Prospectus dated 19 February 2013, once the net proceeds of the C Shares are substantially fully invested, the C Shares will be converted into Ordinary Shares and subsequently admitted to the premium segment of the Official List together with the existing Ordinary Shares. The conversion of the C Shares will be no later than 25 September 2013.

Going Concern

In the opinion of the Directors, the Company is able to meet its liabilities as they fall due because it has adequate cash resources. Given the nature of the Company's business, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Life of the Company

The Company does not have a fixed life. However, under Article 51 of the Articles of Incorporation, the Directors will convene an extraordinary general meeting of the Company on or before the third anniversary of Admission and at such Meeting shall propose an Ordinary Resolution that the Company continues its business as a closed-ended investment company. If a Continuation Resolution is passed, the Directors are required to convene a further extraordinary general meeting to propose a further Continuation Resolution on or before the sixth anniversary of Admission. Thereafter, the Directors shall convene a general meeting to propose a further Continuation Resolution on or before the anniversary of the date on which the previous Continuation Resolution is passed.

If a Continuation Resolution is not passed, the Directors shall put proposals to shareholders for the restructuring or reorganisation of the Company.

Also as per the Articles of the Company, under the discount control mechanism, if, as at 31 December 2012, or as at 31 December in any subsequent calendar year, the Shares of a particular class have, on average over the last three calendar months of the relevant calendar year (the "Discount Calculation Period"), traded on London Stock Exchange at a discount in excess of 5% of the Net Asset Value per Share of that class, the Directors will, subject to any legal or regulatory requirements, implement a redemption offer (the "Redemption Offer") pursuant to which each holder of Shares of the relevant class shall be offered the opportunity to redeem up to 50% of their Shares of such class. The shares did not trade at a discount on average over the three-month period between 1 October 2012 and 31 December 2012.

Performance Measurement and Key Performance Indicators

In order to measure the success of the Company in meeting its objectives and to evaluate the performance of the Investment Manager, the Directors take into account the following performance indicators:

- Returns and NAV - The Board reviews and compares at each meeting the performance of the portfolio as well as the NAV, income and share price of the Company; and
- Discount/premium to NAV - At each Board meeting, the Board monitors the level of the Company's discount or premium to NAV.

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DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Management, Registrar, Administration, Custody and Company Secretary Arrangements

Investment management services are provided to the Company by Neuberger Berman Europe Limited, which has delegated certain of its responsibilities and functions to the Sub-Investment Manager, Neuberger Berman Fixed Income LLC.

The management fee is calculated and accrued daily at a rate equivalent to 0.75% of NAV per annum. The management fee is paid quarterly in arrears. No performance fee is payable by the Company to the Investment Manager.

The Investment Management Agreement may be terminated by either party, but in certain circumstances, the Company would be required to pay compensation to the Investment Manager of six months' management charges. No compensation is payable if notice of termination of more than six months is given.

Administration, Custodian and Company Secretarial services are provided to the Company by BNP Paribas Fund Services (Guernsey) Limited. Registrar services are provided by Capita Registrars (Guernsey) Limited.

Related Party Transactions

The contracts with Neuberger Berman Europe Limited and the Directors are the only related party transactions currently in place. Other than fees payable in the ordinary course of business, there have been no material transactions with these related parties, which have affected the financial position or performance of the Company in the financial year.

Further details on related party transactions can be found under Note 4.

Principal Risks and Uncertainties

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board also monitors the investment limits and restrictions set out in the Company's investment objective and policy.

The principal risks that have been identified and the steps taken by the Board to mitigate these are as follows:

Investment activity and performance

An inappropriate investment strategy may result in under performance against the Company's objectives. The Board manages these risks by ensuring a diversification of investments. The Investment Manager operates in accordance with the investment limits and restrictions policy determined by the Board. The Directors review the limits and restrictions on a regular basis and the Administrator monitors adherence to the limits and restrictions every month and will notify any breaches to the Board. The Investment Manager provides the Board with management information including performance data and reports, and the Corporate Brokers provide shareholder analysis. The Directors monitor the implementation and results of the investment process with the Investment Manager at each Board meeting and monitor risk factors in respect of the portfolio. Investment strategy is reviewed at each meeting.

Level of discount or premium

A discount or premium to NAV can occur for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Manager or discount their valuation methodology and judgement. While the Directors may seek to mitigate any discount to NAV per Share through the discount management mechanisms set out in the Prospectus, there can be no guarantee that they will do so or that such mechanisms will be successful and the Directors accept no responsibility for any failure of any such strategy to effect a reduction in any discount or premium.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Market price risk

The market value of senior secured loans may vary because of a number of factors, including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates. The Investment Manager carries out extensive due diligence on each borrower which is subsequently assessed by its credit committee to mitigate this risk.

Accounting, legal and regulatory

The Company must comply with the provisions of The Companies (Guernsey) Law, 2008 (as amended) and, since its shares are admitted to listing on the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange, the Company is subject to the FSA's Listing, Disclosure and Transparency Rules. A breach of the legislation could result in the Company and/or the Directors being fined or subject to criminal proceedings. A breach of the Listing Rules could result in the suspension of the Company's shares. The Board relies on its company secretary and advisers to ensure adherence to the Guernsey legislation and the FSA's rules. The Investment Manager and the Administrator are contracted to provide investment, company secretarial, administration and accounting services through qualified professionals. The Board receives regular internal control reports from the Administrator that confirm compliance. The Company's subsidiaries, which are incorporated in Luxembourg, have to comply with the local regulatory and statutory rules and requirements. The Board relies on the Investment Manager and advisers of these subsidiaries to ensure adherence to Luxembourg legislation.

Operational

Disruption to, or the failure of either the Investment Manager's or the Administrator's accounting, dealings or payment systems, or the custodian's records could prevent the accurate reporting or monitoring of the Company's financial position.

Details of how the Board monitors the services provided by the Investment Manager and the Administrator, and the key elements designed to provide effective internal control are explained further in the internal controls section of the Corporate Governance Statement, which is set out below.

Corporate Governance Statement

Applicable corporate governance codes

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for investment companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. Copies of the AIC Code and the AIC Guide can be found at www.theaic.co.uk

On 1 January 2012, the Guernsey Financial Services Commission's ("GFSC") "Finance Sector Code of Corporate Governance" came into effect. The GFSC have stated in their Code that companies which report against the UK Corporate Governance Code or the AIC Code are deemed to meet their Code, and need take no further action.

ANNUAL REPORT

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

a) Statement of compliance

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code of Corporate Governance, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- The role of the chief executive
- Executive directors' remuneration
- Internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

b) Directors and their interests

Board independence and composition

The Board, chaired by William Frewen who is responsible for its leadership and for ensuring its effectiveness in all aspects of its role, currently consists of three non-executive Directors. The biographical details of the Directors holding office at the date of this report are listed on the Board of Directors section, and demonstrate a breadth of investment, accounting and professional experience. A senior independent director has not been identified as the Board considers that all the Directors have different qualities and areas of expertise on which they may lead where issues arise and to whom concerns can be conveyed.

The Chairman and all Directors are considered independent. The Directors consider that there are no factors, as set out in provision 2 of the AIC Code, which compromise the Directors' independence and that they all contribute to the affairs of the Company in an adequate manner. The Directors review their independence annually.

Directors' appointment

No Director has a service contract with the Company. Directors have agreed letters of appointment with the Company, copies of which are available for review by shareholders at the Registered Office and will be available at the Annual General Meeting. All Directors have served since incorporation of the Company. Any Director may resign in writing to the Board at any time.

In accordance with the AIC Code, as a FTSE 250 company, all Directors will be subject to re-election annually by shareholders. The names and biographies of the Directors holding office at the date of this report are listed on the Board of Directors section. The Remuneration and Nomination Committee reviewed the independence, contributions and performance of all Directors during the 2012 Board Evaluation and have determined that it is in the best interests of the Company to propose that all Directors are proposed for re-election.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

b) Directors and their interests (continued)

Conflicts of interest

Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and the Board may impose restrictions or refuse to authorise conflicts if deemed appropriate.

None of the Directors had a material interest in any contract, which is significant to the Company's business or had an interest in the Company's share capital during the year ended 31 December 2012. There have been no changes in the interests of the Directors since the year-end other than in respect of Mr Battey's purchase of £20,000 C Shares in March 2013.

Induction and training

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and its internal controls. Regulatory and legislative changes affecting Directors' responsibilities are advised to the Board as they arise along with changes to best practice from, amongst others, the Company Secretary and the Auditors. Advisers to the Company also prepare reports for the Board from time to time on relevant topics and issues. In addition, Directors attend relevant seminars and events to allow them to continually refresh their skills and knowledge and keep up with changes within the investment company industry. The Chairman reviewed the training and development needs of each Director during the annual Board evaluation process. He confirmed that all directors actively kept up to date with industry developments and issues.

When a new Director is appointed to the Board, he/she will be provided with all relevant information regarding the Company and his/her duties and responsibilities as a Director. In addition, a new Director will also spend time with representatives of the Investment Manager in order to learn more about their processes and procedures.

Directors' indemnity

To the extent permitted by Guernsey Law, the Company's Articles of Incorporation provide an indemnity for the Directors against any liability except such (if any) as they shall incur by or through their own breach of trust, breach of duty or negligence.

During the year, the Company has maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy.

c) The Board

Responsibilities

The Board meets at least four times each year and deals with the important aspects of the Company's affairs including the setting and monitoring of investment strategy, and the review of investment performance. The Investment Manager and Sub-Investment Manager take decisions as to the purchase and sale of individual investments, in line with the investment policy and strategy set by the Board. The Investment Manager together with the Company Secretary also ensures that all Directors receive, in a timely manner, all relevant management, regulatory and financial information relating to the Company and its portfolio of investments.

Representatives of the Investment Manager attend each Board meeting, enabling Directors to question any matters of concern or seek clarification on certain issues. Matters specifically reserved for decision by the full Board have been defined and a procedure adopted for Directors in the furtherance of their duties to take independent professional advice at the expense of the Company.

ANNUAL REPORT

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

c) The Board (continued)

Tenure

The Board has adopted a policy on tenure that is considered appropriate for an investment company. The Board does not believe that length of service, by itself, leads to a closer relationship with the Investment Manager or necessarily affects a Directors' independence. The Board's tenure and succession policy seeks to ensure that the Board is well balanced and will be refreshed from time to time by the appointment of new Directors with the skills and experience necessary to replace those lost by Directors' retirements. Directors must be able to demonstrate their commitment to the Company. The Board seeks to encompass relevant past and current experience of various areas relevant to the Company's business. The Board will further consider succession planning and the possibility of appointing an additional director to aid succession planning by the end of 2013.

Diversity

The Board considers that its members have a balance of skills and experience which are relevant to the Company. The Board supports the recommendations of the Davies Report and believes in the value and importance of diversity in the boardroom but it does not consider it is appropriate or in the interests of the Company and its shareholders to set prescriptive targets for gender or nationality on the Board.

Performance evaluation

The work of the Board as a whole and of the Board Committees was reviewed by the Remuneration and Nomination Committee in November 2012, by means of an internal questionnaire. The Company Secretary collated the results of the questionnaires and the consolidated results were reviewed and discussed by the Remuneration and Nomination Committee. No areas of concern were identified as a result of this review. In addition, the Remuneration and Nomination Committee reviewed the performance of the Chairman in his role. The Chairman reviews each individual Directors contribution.

A further internal review will take place in 2013, with an external facilitator to be engaged in 2014.

Board Committees

The Board has established an Audit Committee, Management Engagement Committee and a Remuneration and Nomination Committee with defined terms of reference and duties. The terms of reference for each committee can be found on the Company's website www.nbgfrif.com.

Audit Committee

The Company's Audit Committee meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditors and to review the Company's annual accounts and interim reports. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The Audit Committee comprises each of the Directors. Richard Battey, a Fellow of the Institute of Chartered Accountants in England and Wales, acts as Chairman of the Audit Committee. It is deemed appropriate that the Chairman, William Frewen, serves on the Audit Committee as he is an independent non-executive director.

The principal duties of the Audit Committee are to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditors, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

The Audit Committee is satisfied with the effectiveness of the audit provided by PricewaterhouseCoopers CI LLP, and is satisfied with the auditor's independence.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

c) The Board (continued)

Board Committees (continued)

Remuneration and Nomination Committee

The Remuneration and Nomination Committee meets at least annually for the purpose of considering the remuneration of the Directors. It also: (i) identifies individuals qualified to become Board members and selects the director nominees for election at general meetings of the Shareholders or for appointment to fill vacancies; (ii) determines director nominees for each committee of the Board; and (iii) considers the appropriate composition of the Board and its committees. In addition, the chairmanship of the Audit Committee, the Remuneration and Nomination Committee and Management Engagement Committee and each Director's performance is reviewed annually by the Chairman and the performance of the Chairman has been assessed by the remaining Directors.

The Remuneration and Nomination Committee comprises all the Directors. Sandra Platts acts as Chairman of the Remuneration and Nomination Committee.

No new Directors were appointed during the year.

Management Engagement Committee

The Company's Management Engagement Committee meets at least annually for the purpose of reviewing the performance of, and contractual relations with service providers (including the Investment Manager). The Management Engagement Committee comprises each of the Directors. Sandra Platts acts as Chairman of the Management Engagement Committee.

The principal duties of the Management Engagement Committee are to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Manager in its role as Investment Manager to the Company. The Committee also reviews the performance of the other service providers, their appointment and their remuneration. The Management Engagement Committee did not identify any issues or amend any agreements during the 2012 review.

Meeting attendance

The number of formal meetings during the year of the Board, the Audit Committee, the Management Engagement Committee and the Remuneration and Nomination Committee, and the attendance of individual Directors at those meetings, is shown in the following table:

	Board	Audit Committee	Remuneration and Nomination Committee	Management Engagement Committee
Number of meetings during the year	5	5	1	1
William Frewen	5	4	1	1
Sandra Platts	4	4	1	1
Richard Battey	5	5	1	1

In addition, 7 ad-hoc meetings and 1 Committee meeting were held during the year for various matters including but not limited to dividends and issues of shares under block listing (tap issues).

ANNUAL REPORT

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

d) Internal controls

The Board has established a process for identifying, evaluating and managing any major risks faced by the Company. The process is subject to regular review by the Board and accords with the UK Code of Corporate Governance.

The Board is responsible overall for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Investment Manager, has undertaken a full review of the Company's business risks, which have been analysed and recorded in a risk report, which is reviewed and updated regularly. The Board receives each quarter from the Investment Manager a formal report which details the steps taken to monitor the areas of risk including those that are not directly the responsibility of the Investment Manager and which reports the details of any known internal control failures. The Board receives each year from the Administrator a report on its internal controls which includes a report from the Administrator's auditors on the control policies and procedures in operation.

The Investment Manager has established an internal control framework to provide reasonable but not absolute assurance on the effectiveness of the internal controls operated on behalf of its clients. The effectiveness of the internal controls is assessed by the Investment Manager's compliance and risk department on an ongoing basis. The Investment Manager's controls processes have also been outlined to the Board.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of internal controls for the year ended 31 December 2012 and to the date of approval of this Annual Report and that no issues have been noted.

Relationship with the Investment Manager and the Administrator

The Board has delegated various duties to external parties including the management of the investment portfolio, the custodial services (including the safeguarding of assets), the registration services and the day-to-day company secretarial, administration and accounting services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered, including the control systems in operation in so far as they relate to the affairs of the Company.

The Board receives and considers reports regularly from the Investment Manager and ad hoc reports and information are supplied to the Board as required. The Investment Manager takes decisions as to the purchase and sale of individual investments. The Investment Manager and Administrator also ensure that all Directors receive, in a timely manner, all relevant management, regulatory and financial information. Representatives of the Investment Manager and Administrator attend each Board meeting enabling the Directors to probe further on matters of concern. A formal schedule of matters specifically reserved for decision by the full Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company within certain parameters. The Directors have access to the advice and service of the corporate Company Secretary through its appointed representative who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board, the Investment Manager and the Administrator operate in a supportive, co-operative and open environment.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

d) Internal controls

Continued appointment of the Investment Manager

The Board reviews investment performance at each Board meeting and a formal review of all service providers is conducted annually by the Management Engagement Committee.

As a result of the 2012 annual review it is the opinion of the Directors that the continued appointment of the current Investment Manager on the terms agreed is in the interest of the Company's shareholders as a whole. The Investment Manager has extensive investment management resources and wide experience in managing investment companies.

Share Capital

The share capital of the Company consists of: (a) an unlimited number of Shares which upon issue the Directors may classify as U.S. Dollar Shares, Sterling Shares or Euro Shares or as Shares of such other classes as the Directors may determine; (b) an unlimited number of B Shares which upon issue the Directors may classify as B Shares of such classes denominated in such currencies as the Directors may determine; (c) an unlimited number of C Shares which upon issue the Directors may classify as C Shares of such classes denominated in such currencies as the Directors may determine.

The number of shares in issue at 31 December 2012 was as follows:

U.S. Ordinary Shares	83,143,330
Sterling Ordinary Shares	397,393,734

On 5 January 2012, the Company announced a Conversion ratio for the conversion of C Shares into Ordinary Shares. The conversion ratio, based on the NAV of each share class as at 31 December 2011, (as calculated in accordance with the Company's prospectus dated 7 September 2011 (the "Prospectus")), was 1.05390 Sterling Ordinary Shares for every one Sterling C Share held, and 1.05199 U.S. Dollar Ordinary Shares for every one U.S. Dollar C Share held.

On the basis of the Conversion Ratio announced, an application was made to the UK Listing Authority for 122,146,117 Sterling Ordinary Shares and 5,797,522 U.S. Dollar Ordinary Shares (together the "New Shares") to be admitted to the Premium Listing segment of the Official List. An application was also made for the New Shares to be admitted to trading on the Main Market of the London Stock Exchange, which became effective from and the dealings in the New Shares commenced from 17 January 2012.

The U.S. and Sterling C Shares were permanently removed from trading on the London Stock Exchange with effect from the opening of trading at 8:00 a.m. on 17 January 2012.

ANNUAL REPORT**DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)****Corporate Governance Statement (continued)****d) Internal controls****Substantial Share Interests**

Based upon information deemed to be reliable as provided by the Company's registrar, as at 2 April 2013, the following shareholders owned 5% or more of the issued shares of the Company.

Shareholder	No. of Sterling Ordinary Shares	No. of U.S. Ordinary Shares	No. of Sterling C Shares	Percentage of Share Class (%)
The Bank of New York (Nominees) Limited	-	15,706,095	-	24.70
BBHISL Nominees Limited	-	-	80,000,000	22.01
Harewood Nominees Limited	-	12,303,977	-	19.35
K.B. (C.I). Nominees Limited	-	10,800,296	-	16.98
The Bank of New York (Nominees) Limited	-	-	34,658,657	9.53
BNY Mellon Nominees Limited	36,675,369	-	-	8.94
Euroclear Nominees Limited (UK) Limited	-	5,462,549	-	8.59
BNY Mellon Nominees Limited	-	-	26,073,941	7.17
State Street Nominees Limited	29,020,138	-	-	7.07
BNY (OCS) Nominees Limited	24,689,443	-	-	6.02
Rathbone Nominees Limited	23,944,512	-	-	5.84
Frank Nominees Limited	-	3,558,740	-	5.60
Roy Nominees Limited	22,047,570	-	-	5.37
HSBC Global Custody Nominee (UK) Limited	-	3,387,618	-	5.33

Notifications of Shareholdings

In the year to 31 December 2012 the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules (which covers the acquisition and disposal of major shareholdings and voting rights), of the following voting rights as a shareholder of the Company. When more than one notification has been received from any shareholder, only the latest notification is shown. For non-UK issuers, the thresholds prescribed under DTR 5.1.2 for notification of holdings commence at 5%. Notifications received by the Company below 5% are included here for completeness only.

	Number of Ordinary Shares	Percentage of total voting rights (%)
Blackrock, Inc	81,380,051	11.35%
Baillie Gifford and Co	39,200,000	5.46%
Brewin Dolphin Limited	38,660,087	5.38%
CCLA Investment Management Limited	18,085,000	4.86%

Communications with Shareholders

The Board believes that the maintenance of good relations with shareholders is important for the long-term prospects of the Company. It has, since admission, sought engagement with investors. Where appropriate the Chairman, and other Directors are available for discussion about governance and strategy with major shareholders and the Chairman ensures communication of shareholders' views to the Board. The Board receives feedback on the views of shareholders from its Corporate Broker and the Investment Manager.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Corporate Governance Statement (continued)

d) Internal controls

Communications with Shareholders (continued)

The Board believes that the Annual General Meeting provides an appropriate forum for investors to communicate with the Board, and encourages participation. The Annual General Meeting will be attended by the Directors. There is an opportunity for individual shareholders to question the Chairman of the Board, the Audit Committee, the Management Engagement Committee and the Remuneration and Nomination Committee at the Annual General Meeting. Details of proxy votes received in respect of each resolution will be made available to shareholders at the meeting and will be posted on the Company's website following the meeting.

The Annual and Interim Reports, the Interim Management Statements and a monthly fact sheet are available to all shareholders. The Board considers the format of the Annual and Interim Reports so as to ensure they are useful to all shareholders and others taking an interest in the Company. In accordance with best practice, the Annual Report, including the Notice of the Annual General Meeting, will be sent to shareholders at least 20 working days before the meeting.

2013 Annual General Meeting ("AGM")

The following information is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant, or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the Company, please send this document, together with any accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or into any other jurisdiction if to do so would constitute a violation of applicable laws and regulations in such other jurisdiction.

The AGM will be held in Guernsey on 19 June 2013 at 10:15 GMT. The notice for the Annual General Meeting sets out the ordinary and special resolutions to be proposed at the meeting. Separate resolutions are proposed for each substantive issue.

Explanation of the resolutions

Ordinary Resolutions

Resolution 1: Annual Report and Financial Statements

The Directors are required to present to the meeting the Annual Report and Financial Statements and the Directors' Report and Auditors' Report in respect of the financial year. Shareholders will be given an opportunity at the meeting to ask questions on these items before being invited to receive and consider the Annual Report and Financial Statements.

Resolution 2: Remuneration report

Shareholders are requested to ratify the Directors' Report on Remuneration, which is set out on page 25 of the Annual Report and Financial Statements.

ANNUAL REPORT

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Explanation of the resolutions (continued)

Resolutions 3 to 5: Election, and appointment of Directors

In accordance with Principle 3 of the AIC Code, as a FTSE 250 company, all Directors are subject to annual re-election by shareholders.

Resolution 3 is for the re-election of Mr William Frewen, who was elected as a Director at the first annual general meeting of the Company and is required under the AIC Code to stand for annual re-election.

Resolution 4 is for the re-election of Mr Richard Battey, who was elected as a Director at the first annual general meeting of the Company and is required under the AIC Code to stand for annual re-election.

Resolution 5 is for the re-election of Mrs Sandra Platts, who was elected as a Director at the first annual general meeting of the Company and is required under the AIC Code to stand for annual re-election.

The Remuneration and Nomination Committee carried out a Board evaluation in November 2012. During this evaluation the performance and commitment of the Directors standing for re-election was reviewed and reported to the Board. The Board believe that the current Directors should continue to be Directors as they bring wide, current and relevant business experience that allows them to contribute effectively to the leadership of the Company.

Biographical details for the Directors are shown on the Board of Directors section of the Annual Report and Financial Statements.

Resolutions 6 and 7: Re-appointment and remuneration of the auditors

In accordance with sections 257 and 259 of The Companies (Guernsey) Law, 2008 (as amended), shareholders are required to approve the appointment of the Company's auditors each year to hold office until the next annual general meeting of the Company and to give Directors the authority to determine the auditors' remuneration. PricewaterhouseCoopers CI LLP has expressed their willingness to continue as auditors to the Company.

Special Resolutions

Resolution 8: Repurchase of the Company's Shares

Resolution 8 seeks to renew the Company's authority to buy back its Ordinary Shares. The authority under this resolution is limited to the purchase of a maximum of up to 9,425,020 U.S. Dollar Shares and 61,540,331 Sterling Shares or, if less, such other number of Ordinary Shares that is equal to 14.99% of each class of Ordinary Shares in issue at the date of the passing of this resolution. The minimum price (exclusive of expenses), which may be paid for an Ordinary Share is 1 pence / 1 cent (as applicable). The maximum price (exclusive of expenses) which may be paid for an Ordinary Share of any class shall be the higher of (a) an amount equal to 105% of the average middle market quotations for an Ordinary Share of the relevant class as derived from and calculated by reference to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary Shares of such class are purchased; and (b) the higher of (A) the price or the last independent trade; and (B) the highest current independent bid for an Ordinary Share of the relevant class on the London Stock Exchange at the time the purchase is carried out. The Company may cancel or hold in treasury any Ordinary Shares bought back under this authority. The Company does not currently hold any treasury shares.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or on a date which is 18 months from the date of the passing of this resolution (whichever is earlier) and it is the present intention of the Directors to seek a similar authority annually.

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Explanation of the resolutions (continued)

Resolution 9: Dis-apply pre-emption rights

Resolution 9 seeks to allow the Directors to be able to allot and issue Ordinary Shares on a non pre-emptive basis. The Board feels that this resolution is appropriate and customary for a closed-ended investment fund such as the Company, having regard to guidance from The Association of Investment Companies and the Statement of Principles published by the Pre-emption Group.

This authority will expire upon the date of the next annual general meeting of the Company, unless previously renewed, varied or revoked by the Company in general meeting.

Recommendation

The Board considers that the resolutions relating to the above items are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the above resolutions to be proposed at the forthcoming AGM.

Independent Auditors

Our Auditors, PricewaterhouseCoopers CI LLP (PWC CI LLP), have expressed their willingness to remain in office. The Directors will place a resolution before the Annual General Meeting to re-appoint them as independent auditors for the ensuing year, and to authorise the Directors to determine their remuneration.

The Auditors and the Directors have agreed a policy for non-audit services. All non-audit services require the pre-approval of the audit committee prior to commencing any work. Fees for non-audit services are tabled annually so that the audit committee can consider the impact on auditors' objectivity.

The auditors were remunerated £77,500 for their services rendered in 2012. Of this amount £6,000 was in relation to the non-audit services performed over the C share conversion. A further £21,500 was in relation to the procedures performed in respect to the half year review.

Directors' Responsibilities Statement

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and US Generally Accepted Accounting Principles ('US GAAP'), of the state of affairs of the Company and of the profit or loss for the period. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, 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 proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008, as amended. The Directors 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.

ANNUAL REPORT

DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT (CONTINUED)

Directors' Responsibilities Statement (continued)

The Directors of the Company have elected to prepare consolidated financial statements for NB Global Floating Rate Income Fund Limited for the year ended 31 December 2012 as the parent of the Group in accordance with Section 244(5) of the Companies (Guernsey) Law, 2008. They are not required to prepare individual accounts for NB Global Floating Rate Income Fund Limited in accordance with Section 243 of the Companies (Guernsey) Law 2008 for the financial period.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm to the best of their knowledge that:

- The consolidated financial statements which have been prepared in conformity with US GAAP and give a true and fair view of the assets, liabilities, financial position and profit of the Company, and the undertakings included in the consolidation taken as a whole as required by DTR 4.1.12R and are in compliance with the requirements set out in The Companies (Guernsey) Law, 2008 as amended;
- The Annual Report includes a fair review of the information required by DTR 4.1.8R and DTR 4.1.11R, which provides an indication of important events and a description of principal risks and uncertainties during the year.

The maintenance and integrity of the NB Global Floating Rate Income Fund Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

By order of the Board

Sandra Platts
Director
12 April 2013

Richard Battey
Director
12 April 2013

DIRECTORS' REMUNERATION REPORT

This report meets the relevant rules of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration. A resolution to ratify this report will be proposed at the Annual General Meeting.

The Board consists entirely of non-executive Directors who meet regularly to deal with the important aspects of the Company's affairs. Directors are appointed with the expectation that they will initially serve for a period of three years, and will stand for annual re-election. All Directors have served since incorporation of the Company. Any Director may resign in writing to the Board at any time. Directors' appointments are reviewed during the annual board evaluation.

The determination of the Directors' fees is a matter dealt with by the Remuneration and Nomination Committee and the Board. The Board has not sought the advice or services by any outside person in respect of its consideration of the Directors' remuneration, although the Directors will review the fees paid to the boards of directors of similar investment companies.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears. No Director has any entitlement to a pension, and the Company has not awarded any share options or long-term performance incentives to any of the Directors. No element of the Directors' remuneration is performance related.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable high calibre candidates to be recruited. The policy is for the Chairman of the Board and Chairman of the Audit Committee to be paid a higher fee than the other Directors in recognition of their more onerous roles and more time spent.

The Company's Articles of Incorporation limit the aggregate fees payable to the Board of Directors to a total of £500,000 per annum. From 1 April 2012, the Directors' fees were paid at the following annual rates: the Chairman £35,000; the Chairman of the Audit Committee £30,000; the other Directors £25,000. Prior to this, the annual rates were: Chairman £30,000; the Chairman of the Audit Committee £25,000; the other Directors £20,000.

Remuneration

No Director has a service contract with the Company. Directors have agreed letters of appointment with the Company, copies of which are available for review by shareholders at the Registered Office and will be available at the Annual General Meeting.

In accordance with the AIC Code all Directors will be proposed for re-election by shareholders at the Annual General Meeting to be held on 19 June 2013. The names and biographies of the Directors holding office at the date of this report are listed in this document. All of the independent Directors will be subject to annual re-election.

The Company paid the following fees to the Directors for the year ended 31 December 2012.

	\$
William Frewen (Chairman)	53,669
Richard Battey (Audit Committee Chairman)	46,002
Sandra Platts	<u>38,335</u>
Total	138,006

No other remuneration or compensation was paid or payable by the Company during the year to any of the Directors, other than travel expenses of \$4,412.

For and on behalf of the Board

Sandra Platts
Director
12 April 2013

ANNUAL REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NB GLOBAL FLOATING RATE INCOME FUND LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements (the "financial statements") of NB Global Floating Rate Income Fund Limited and its wholly owned subsidiaries (together, the "Company") which comprise the Consolidated Statement of Assets and Liabilities as of 31 December 2012 and the Consolidated Schedule of Investments, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Net Assets and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America and with the requirements of Guernsey law. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2012, and of its financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other Legal and Regulatory Requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Company Overview, the Directors, Managers and Advisers, the Chairman's Statement, the Investment Manager's Report, the Board of Directors, the Directors' Report and Responsibility Statement and the Directors' Remuneration Report.

In our opinion, the information given in the Directors' Report and Responsibilities Statement is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on other Legal and Regulatory Requirements (continued)

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters, which we are required to review under the Listing Rules:

- the directors' statement set out on page 11 in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Simon Perry
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognised Auditor
Guernsey, Channel Islands
12 April 2013

ANNUAL REPORT

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**31 December 2012 and 31 December 2011**

(Expressed in U.S. Dollars)

	Notes	31 December 2012	31 December 2011
Assets		\$	\$
Investments, at fair value (2012: cost of \$708,938,484; 2011: \$669,860,803)	5	714,890,852	646,979,109
Cash and cash equivalents:			
- Sterling		1,643,656	205,316
- Euro		2,562,521	13,080,528
- U.S. Dollar		16,260,995	51,031,887
Total cash and cash equivalents		20,467,172	64,317,731
		735,358,024	711,296,840
Other assets:			
Receivables for investments sold		62,551,644	20,272,068
Derivative assets (for hedging purposes only)	5	5,329,658	-
Interest receivables		5,001,773	3,349,901
Other receivables and prepayments		74,973	116,110
		72,958,048	23,738,079
Total assets		808,316,072	735,034,919
Liabilities			
Payables for investments purchased		80,395,387	70,618,004
Payables to Investment Manager and affiliates		1,376,082	1,329,375
Accrued expenses and other liabilities		485,300	425,667
Derivative liabilities (for hedging purposes only)	5	-	918,299
Total liabilities		82,256,769	73,291,345
Total assets less liabilities		726,059,303	661,743,574
Share capital	9	699,946,899	696,576,586
Accumulated profit / (deficit)		26,112,404	(34,833,012)
Total net assets		726,059,303	661,743,574
31 December 2012	Net Asset Value	Number of Shares	NAV per share
U.S. Dollar shareholding			
- Ordinary Shares	\$83,205,616	83,143,330	\$1.0007
Sterling shareholding			
- Ordinary Shares	£395,493,478	397,393,734	£0.9952
Sterling shareholding (in USD)			
- Ordinary Shares	\$642,853,687	397,393,734	\$1.6177

The consolidated financial statements on pages 28 to 47 were approved and authorised for issue by the Board of Directors on 12 April 2013, and signed on its behalf by:

Sandra Platts
Director

Richard Battey
Director

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED SCHEDULE OF INVESTMENTS

31 December 2012 and 31 December 2011

(Expressed in U.S. Dollars)

31 December 2012	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Portfolio of investments			
Financial investments			
Floating rate senior secured loans	659,627,497	664,324,754	91.50
Fixed rate bonds	45,931,562	46,995,298	6.47
Floating rate bonds	3,379,425	3,570,800	0.49
Total financial investments	708,938,484	714,890,852	98.46
Total portfolio of investments	708,938,484	714,890,852	98.47
Forwards			
Euro to U.S. Dollar		(388,400)	(0.05)
Sterling to U.S. Dollar		(248,055)	(0.03)
U.S. Dollar to Euro		(30,297)	(0.01)
U.S. Dollar to Sterling		5,996,410	0.83
		5,329,658	0.74

31 December 2012	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Geographic diversity of investment portfolio			
North America	634,126,804	640,988,995	88.28
Australia / Oceania	5,670,552	5,771,607	0.80
Europe	69,141,128	68,130,250	9.38
	708,938,484	714,890,852	98.46

The accompanying notes are an integral part of the consolidated financial statements

ANNUAL REPORT**CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)****31 December 2012 and 31 December 2011**

(Expressed in U.S. Dollars)

31 December 2011	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Portfolio of investments			
Asset backed securities	2,012,620	2,006,880	0.30
Financial investments			
Floating rate senior secured loans	590,775,126	574,161,253	86.71
Fixed rate bonds	69,987,178	64,081,582	9.68
Floating rate bonds	7,085,879	6,729,394	1.02
Total financial investments	667,848,183	644,972,229	97.41
Total portfolio of investments	669,860,803	646,979,109	97.71
Forwards			
Euro to U.S. Dollar		1,716,009	0.26
Sterling to U.S. Dollar		182,284	0.03
U.S. Dollar to Euro		(28,375)	(0.01)
U.S. Dollar to Sterling		(2,788,217)	(0.42)
		(918,299)	(0.14)

31 December 2011	Cost	Fair Value	Fair Value as % of Net Assets
	\$	\$	
Geographic diversity of investment portfolio			
North America	507,585,125	501,255,022	75.68
Europe	162,275,678	145,724,087	22.01
	669,860,803	646,979,109	97.69

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)

31 December 2012 and 31 December 2011

(Expressed in U.S. Dollars)

Industry diversity of Investment Portfolio	31 December 2012		31 December 2011	
	Cost (\$)	Fair Value (\$)	Cost (\$)	Fair Value (\$)
Aerospace & Defence	1,608,755	1,614,611	5,960,634	5,351,033
Air Transport	5,092,865	5,313,261	4,397,217	4,218,312
All Telecom	22,677,447	22,788,358	34,816,346	31,775,671
Audiovisual	-	-	6,147,442	6,124,691
Automotive	24,201,281	24,508,115	17,034,491	16,839,706
Banks	-	-	13,337,706	13,407,644
Building & Development	18,760,568	19,244,148	6,978,918	6,828,171
Building and Building Materials	-	-	5,608,635	5,045,613
Business Equipment & Services	72,181,182	72,962,169	41,876,407	40,360,299
Cable & Satellite Television	12,385,734	12,673,175	12,474,228	12,470,453
Chemical Products	-	-	5,152,983	4,232,881
Chemicals & Plastics	38,945,894	38,901,115	23,731,668	22,543,307
Clothing/Textiles	5,452,600	5,505,866	-	-
Conglomerates	6,599,470	6,698,225	15,351,958	15,343,654
Consumption Goods / Food / Brewery	-	-	1,429,600	1,220,261
Containers & Glass Products	18,975,824	19,239,258	22,984,454	22,736,580
Cosmetics / Toiletries	4,566,605	4,666,309	-	-
Distribution Water / Gas / Electricity / Energy	-	-	3,795,125	3,832,500
Distribution / Retail Trade	-	-	8,986,362	8,732,037
Drugs	6,876,198	6,947,030	-	-
Ecological Services & Equipment	8,156,480	8,190,196	-	-
Electronics/Electrical	53,717,794	54,572,052	47,482,645	47,151,293
Equipment Leasing	12,450,867	12,628,659	7,798,783	7,574,654
Farming / Agriculture	-	-	2,282,333	2,273,506
Financial Intermediaries	69,967,535	71,198,868	74,580,168	72,832,165
Forest Products	-	-	5,219,185	4,463,465
Food Products	11,688,166	11,919,587	18,754,689	18,255,937
Food Service	8,389,202	8,452,870	11,229,558	10,879,853
Food/Drug Retailers	5,163,066	5,305,098	4,916,750	4,847,550
Health Care	73,059,355	74,489,784	57,917,222	57,720,549
Holdings	-	-	3,273,230	2,066,969
Home Furnishings	5,244,836	5,302,397	3,280,350	3,259,200
Industrial Equipment	25,719,085	26,047,835	13,369,497	13,084,793
Insurance	1,674,107	1,701,505	1,666,496	1,670,127
Leisure Goods/Activities/Movies	12,210,086	12,324,762	12,385,051	12,237,876
Lodging & Casinos	44,476,664	44,793,941	19,399,872	16,893,487
Mining of Minerals and Metals	-	-	8,359,173	8,023,648
Miscellaneous Services	-	-	3,036,750	2,688,125
Nonferrous Metals/Minerals	14,384,410	14,559,212	2,012,500	1,987,860
Oil & Gas	11,026,027	11,093,011	12,717,167	12,667,553
Other Credit Institutions	-	-	3,567,150	3,555,400
Packaging and Paper Industry	-	-	4,023,750	4,035,750
Pharmaceuticals / Cosmetics / Biotechnology	-	-	5,060,000	5,182,350
Publishing	21,103,330	20,149,243	20,616,385	18,913,749

ANNUAL REPORT**CONSOLIDATED SCHEDULE OF INVESTMENTS (CONTINUED)**

Industry diversity of Investment Portfolio	31 December 2012		31 December 2011	
	Cost (\$)	Fair Value (\$)	Cost (\$)	Fair Value (\$)
Radio & Television	26,807,241	27,196,719	25,866,727	24,964,770
Retailers (except food & drug)	45,862,830	45,118,716	42,430,858	40,722,181
Steel	5,066,601	5,173,654	-	-
Surface Transport	-	-	7,242,048	7,061,846
Transportation and Transportation Materials	-	-	8,133,877	7,868,405
Utilities	14,446,379	13,611,103	13,174,415	13,033,235
	708,938,484	714,890,852	669,860,803	646,979,109

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF OPERATIONS**For the year ended 31 December 2012 and period ended 31 December 2011**

(Expressed in U.S. Dollars)

	1 January 2012 to 31 December 2012	10 March 2011 to 31 December 2011
	\$	\$
Income		
Interest income	40,156,171	16,735,433
Other income from investments	3,317,236	19,014
	43,473,407	16,754,447
Expenses		
Investment management and services	5,155,590	3,282,134
Administration and professional fees	1,704,012	833,583
Directors' fees and travel expenses	142,418	102,206
Total expenses	7,002,020	4,217,923
Net investment income	36,471,387	12,536,524
Realised and unrealised gains and losses		
Net realised gain / (loss) on investments	3,334,624	(4,122,576)
Net realised gain / (loss) on derivatives	22,076,850	(10,902,676)
Total net realised gain / (loss)	25,411,474	(15,025,252)
Net change in unrealised appreciation / (depreciation) on investments	28,834,061	(22,881,693)
Net change in unrealised appreciation / (depreciation) on derivatives	5,888,687	(918,299)
Total net unrealised appreciation / (depreciation)	34,722,748	(23,799,992)
Realised loss on foreign currency	(2,197,937)	(1,063,691)
Net realised and unrealised gains and losses	57,936,285	(39,888,935)
Net increase / (decrease) in net assets resulting from operations	94,407,672	(27,352,411)

The accompanying notes are an integral part of the consolidated financial statements

ANNUAL REPORT**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**

(Expressed in U.S. Dollars)

31 December 2012

	C share (\$)	Ordinary share (\$)	Total (\$)
Net assets as at 1 January 2012	183,998,928	477,744,646	661,743,574
Scrip issue	-	3,370,313	3,370,313
Conversion of C Shares into Ordinary Shares	(183,480,114)	183,480,114	-
Dividends	(518,814)	(32,943,442)	(33,462,256)
Net increase in net assets resulting from operations	-	94,407,672	94,407,672
Net assets as at 31 December 2012	-	726,059,303	726,059,303

31 December 2011

	C share (\$)	Ordinary share (\$)	Total (\$)
Net assets at 10 March 2011	-	-	-
Issuance of shares (net of issuance costs)			
Initial issue (issue costs \$10,146,727)	-	497,189,645	497,189,645
C share issue (issue costs \$3,744,123)	183,464,169	-	183,464,169
Scrip issue	-	1,137,123	1,137,123
Tap issue (issue costs \$149,350)*	-	14,785,650	14,785,650
Total proceeds from issuance of shares	183,464,169	513,112,418	696,576,587
Dividends	-	(7,480,602)	(7,480,602)
Net increase / (decrease) in net assets resulting from operations	534,759	(27,887,170)	(27,352,411)
Net assets as at 31 December 2011	183,998,928	477,744,646	661,743,574

* See note 9 for further details.

CONSOLIDATED STATEMENT OF CASH FLOWS**For the year ended 31 December 2012 and period ended 31 December 2011**

(Expressed in U.S. Dollars)

	1 January 2012 to 31 December 2012	10 March 2011 to 31 December 2011
	\$	\$
Cash flows from operating activities:		
Net decrease in net assets resulting from operations	94,407,672	(27,352,411)
Adjustment to reconcile net decrease in net assets resulting from operations:		
Net realised (gain) / loss on investments	(3,334,624)	4,122,576
Net change in unrealised (appreciation) / depreciation on investments and derivatives	(34,722,748)	23,799,992
Changes in receivables for investments sold	(42,279,576)	(20,272,068)
Changes in interest receivables	(1,651,872)	(3,349,901)
Changes in other receivables and prepayments	41,137	(116,110)
Realised gains on forwards	(359,270)	-
Changes in payables for investments purchased	9,777,383	70,618,004
Changes in payables to Investment Manager and affiliates	46,707	1,329,375
Changes in accrued expenses and other liabilities	59,633	425,667
Purchase of investments	(885,801,118)	(1,198,340,076)
Sale of investments	850,058,060	524,356,698
Net cash used in operating activities	(13,758,616)	(624,778,254)
Cash flows from financing activities:		
Proceeds from initial and tap issuance of ordinary and C Shares	-	695,439,464
Dividends paid (net of Scrip issue)	(30,091,943)	(6,343,479)
Net cash (used) / provided by financing activities	(30,091,943)	689,095,985
Net (decrease) / increase in cash and cash equivalents	(43,850,559)	64,317,731
Cash and cash equivalents at beginning of the year / period	64,317,731	-
Cash and cash equivalents at end of the year / period	20,467,172	64,317,731

The accompanying notes are an integral part of the consolidated financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

NB Global Floating Rate Income Fund Limited (the “Company”) is a Guernsey Registered Closed-ended Collective Investment Scheme registered and incorporated in Guernsey under The Companies (Guernsey) Law, 2008 (as amended), on 10 March 2011, with registration number 53155. The Company’s shares were admitted to trading on the Main Market of the London Stock Exchange on 20 April 2011.

The Initial Public Offering of the Company took place on 15 April 2011, raising gross proceeds of approximately \$507.3 million. The Company raised an additional \$187 million by means of a Placing and Offer for Subscription of C Shares.

The Company’s investment objective is to provide its shareholders with regular dividends, at levels that are sustainable, whilst preserving the capital value of its investment portfolio, utilising the investment skills of the Investment Manager, Neuberger Berman Europe Limited and the Sub-Investment Manager, Neuberger Berman Fixed Income LLC. To pursue its investment objective, the Company will invest mainly in floating rate senior secured loans issued in U.S. Dollars and Sterling by North American and European Union corporations, partnerships and other business issuers. These loans will, at the time of investment, often be non-investment grade.

For the purposes of efficient portfolio management, the Company has established a wholly-owned Luxembourg incorporated subsidiary, NB Global Floating Rate Income Fund (Lux) 1 S.à.r.l. which in turn holds a wholly-owned subsidiary, NB Global Floating Rate Income Fund (Lux) 2 S.à.r.l. All references to the Company in this document refer to the Company and its wholly owned Luxembourg subsidiaries.

The Company’s share capital is denominated in U.S. Dollars and Sterling and consists of U.S. Dollar Shares and Sterling Shares.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The accompanying consolidated financial statements have been presented on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (US GAAP). Management believes that the underlying assumptions are appropriate and that the Company’s consolidated financial statements therefore present the true and fair financial position and complies with the Guernsey Company Law. The functional and reporting currency of the Company is the United States Dollar.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its wholly owned subsidiary undertakings as at 31 December 2012. The results of the subsidiary undertakings are included in the Consolidated Statement of Operations.

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

Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires that the Directors make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Such estimates and associated assumptions are generally based on historical experience and various other factors that are believed to be reasonable under the circumstances, and form the basis of making the judgments about attributing values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from such accounting estimates in amounts that may have a material impact on the financial information of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Interest earned on debt instruments is accounted for net of applicable withholding taxes and it is recognised as income over the terms of the loans. Discounts received or premiums paid in connection with the acquisition of loans are amortised into interest income using the effective interest method over the contractual life of the related loan. If a loan pays off prior to maturity, the recognition of the fees and costs is accelerated as appropriate. The Investment Manager raises a provision when the collection of principal or interest is deemed doubtful.

Cash and cash equivalents

The Company's cash and cash equivalents comprise cash in hand and demand deposits and highly liquid investments with original maturities of less than 90 days that are both readily convertible to known amounts or cash and so near maturity that they represent insignificant risk of changes in value.

Valuation of investments

The Company carries investments on its Consolidated Statement of Assets and Liabilities at fair value in accordance with US GAAP, with changes in fair value recognised within the Consolidated Statement of Operations in each reporting period. Quoted investments are valued according to their bid price as at the close of the relevant reporting date. Investments in private securities are priced at the bid price using a pricing service for private loans. Asset backed securities are valued according to their bid price. If a price cannot be ascertained from the above sources, the Company will seek bid prices from third party broker/dealer quotes for the investments. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.

In cases where no third party price is available, or where the Investment Manager, Neuberger Berman Europe Limited, determines that the provided price is not an accurate representation of the fair value of the investment, the Sub-Investment Manager, Neuberger Berman Fixed Income LLC, determines the valuation based on the Sub-Investment Manager's fair valuation policy.

The overall criterion for fair value is a price at which the majority of the securities involved would change hands in a transaction between a willing buyer and a willing seller, neither being under compulsion to buy or sell and both having the same knowledge of the relevant facts.

Consistent with the above criterion, the following criteria is considered when applicable:

- Valuation of other securities by the same issuer for which market quotations are available;
- Reasons for absence of market quotations;
- The soundness of the security, its interest yield, the date of maturity, the credit standing of the issue and the current general interest rates;
- Recent sales prices and/or bid and asked quotations for the security;
- Value of similar securities of issuers in the same or similar industries for which market quotations are available;
- Economic outlook of the industry;
- Issuer's position in the industry;
- The financial information of the issuer; and
- The nature and duration of any restriction on disposition of the security.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of investments (continued)

Derivative financial instruments

The Company may, from time to time, hold derivative financial instruments for the purposes of hedging foreign currency exposure. These derivatives are measured at fair value in accordance with US GAAP, with changes in fair value recognised within the Consolidated Statement of Operations in each reporting period.

Depending on the product and the terms of the transaction, the fair value of the over the counter (OTC) derivative products, such as foreign exchange contracts, can be modelled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgements and the pricing inputs are observed from actively quoted markets. The forward exchange contracts valued by the Company using pricing models fall into this category and are categorized within level 2 of the fair value hierarchy.

As shares are denominated in U.S. Dollars and Sterling and investments are denominated in U.S. Dollars, Euro or Sterling, holders of any class of Shares are subject to foreign currency fluctuations between the currency in which such Shares are denominated and the currency of the investments made by the Company. Consequently, the Investment Manager seeks to engage in currency hedging between the U.S. Dollars and any other currency in which the assets of the Company or a class of Shares is denominated, subject to suitable hedging contracts such as forward currency exchange contracts being available in a timely manner and on terms acceptable to the Investment Manager, in their sole and absolute discretion.

Realised gains and losses on investments

All investment transactions are recorded on a trade date basis. Upon sale or maturity, the difference between the consideration received and the cost of the investment is recognised as a realised gain or loss. The cost is determined based on the average cost method.

Operating expenses

Operating expenses are recognised on an accruals basis. Operating expenses include amounts directly or indirectly incurred by the Company as part of its operations.

Issuance cost

In line with the Prospectus, the expenses incurred for the initial placing were borne by the Company up to a maximum of 2% of the Gross Issue Proceeds. These expenses include placing fees and commissions; registration, listing and admission fees; the cost of settlement and escrow arrangements; printing, advertising and distribution costs; legal fees, and any other applicable expenses incurred in connection with the offering of shares.

All such expenses are charged to capital, reducing the issue proceeds received.

Currency translation

Monetary assets and liabilities denominated in a currency other than U.S. Dollars are translated into U.S. Dollar equivalents using spot rates as at the period end date. On initial recognition, a foreign currency transaction is recorded and translates at the spot exchange rate at the transaction date. Non monetary assets and liabilities are translated at the historic exchange rate. There were no non-monetary assets held during the period. Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. The rates of exchange against U.S. Dollars at 31 December 2012 were 1.625447 USD: 1GBP and 1.38184 USD: 1EUR (31 December 2011: 1.554112 USD: 1GBP and 1.29815 USD: 1 EUR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 – AGREEMENTS AND RELATED PARTIES

Investment Management Agreement

The Board is responsible for managing the business affairs of the Company but has delegated certain functions to the Investment Manager under the Investment Management Agreement dated 18 March 2011.

The Investment Manager of the Company is Neuberger Berman Europe Limited, an indirect wholly owned subsidiary of NB Group. The Investment Manager has delegated certain of its responsibilities and functions to the Sub-Investment Manager, Neuberger Berman Fixed Income LLC, also an indirect wholly-owned subsidiary of NB Group.

The Investment Manager is responsible for the discretionary management of the assets held in the Company Portfolio and will conduct the day-to-day management of the Company's assets (including un-invested cash). The Investment Manager is not required to and generally will not submit individual investment decisions for approval by the Board.

The Investment Manager is entitled to a management fee, which shall accrue daily, and be payable quarterly in arrears, at a rate of 0.75% per annum of the Company's NAV. For the year ended 31 December 2012, the management fee expense was \$5,155,590 (31 December 2011: \$3,282,134), of which \$1,373,082 (31 December 2011: \$1,329,375) was unpaid at the year-end.

The Investment Manager is not entitled to a performance fee.

Administration and Custody Agreement

The Company has appointed BNP Paribas Fund Services (Guernsey) Limited as Administrator, Secretary, Custodian and Designated Manager of the Company pursuant to the Administration and Custody Agreement. In such capacity, the Administrator is responsible for the day-to-day administration of the Company (including but not limited to the calculation and publications of the estimated daily Net Asset Value), general secretarial functions (including but not limited to the maintenance of the Company's accounting and statutory records) and certain safekeeping and custody services. The Administrator is currently entitled to the following fees per annum:

On first \$100m of the Net Asset Value	0.08%
On \$100m - \$250m of the Net Asset Value	0.06%
On \$250m - \$500m of the Net Asset Value	0.03%
Any amount greater than \$500m of the Net Asset Value	0.015%

The Administrator is entitled to an annual minimum fee of £100,000 (approximately \$162,545).

The Secretary is entitled to an annual fee of £36,000 (approximately \$58,516) plus fees for ad-hoc board meetings and services. The Custodian is entitled to a fee of 0.02% of the Market Value of the portfolio and a fee of 0.045% per annum on the Market Value of the loan assets (which will be adjusted to 0.035% per annum if assets exceeded \$500m), with a minimum annual fee of £50,000 (approximately \$81,272) in respect of portfolio and loan administration.

For the year ended 31 December 2012, the administration fee expense was \$245,418 (31 December 2011: \$245,263), the secretarial fee was \$73,666 (31 December 2011: \$45,749) and the custodian and loan administration fee expense was \$396,775 (31 December 2011: \$254,956). Of these amounts an administration fee of \$185,333 (31 December 2011: \$85,861), a secretarial fee of \$48,683 (31 December 2011: \$13,983) and a custodian and loan administration fee of \$179,975 (31 December 2011: \$73,528) were unpaid at the year end.

Registrar's Agreement

Capita Registrars (Guernsey) Limited has been appointed as registrar of the Company. The fee charged at a rate of £2.00 per holder of shares appearing on the registry during the year, with a minimum charge per annum of £9,000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 – RELATED PARTY TRANSACTIONS

Directors

The Directors are related parties and are remunerated for their services at a fee of £25,000 (approximately \$40,636) per annum (£35,000 for the Chairman – approximately \$56,891). In addition, the Chairman of the Audit Committee receives an additional £5,000 (approximately \$8,127) for his services in this role. For the year ended 31 December 2012, the directors' fees and travel expenses amounted to \$142,418 (31 December 2011: \$102,206). Of these, \$43,940 (31 December 2011: \$12,773) were unpaid at the year-end.

Neuberger Berman Europe Limited

The contract with Neuberger Berman Europe Limited is the only related party transaction currently in place. Other than fees payable in the ordinary course of business, there have been no material transactions with these related parties, which have affected the financial position or performance of the Company in the financial year.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

A financial instrument is defined by ASC 825, Disclosures about Fair Value of Financial Instruments, as cash, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver to or receive cash or another financial instrument from a second entity on potentially favourable terms. Fair value estimates are made at a discrete point in time, based on relevant market data, information about the financial instruments, and other factors.

Fair value was determined using available market information and appropriate valuation methodologies. Estimates of fair value of financial instruments without quoted market prices are subjective in nature and involve various assumptions and estimates that are matters of judgement. Accordingly, fair values are not necessarily indicative of the amounts realised on disposition of financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value amounts.

The following estimates and assumptions were used at 31 December 2012 to estimate the fair value of each class of financial instruments:

- Valuation of financial investments – The loans and bonds are valued at bid price. The Investment Manager believes that bid price is the best estimate of fair value and is in line with the valuation policy adopted by the Company.
- Cash and cash equivalents – The carrying value is a reasonable estimate of fair value due to the short-term nature of these instruments.
- Receivables for investments sold – The carrying value reasonably approximates fair value as they reflect the value at which investments are sold to a willing buyer and settlement period on their balances is short term.
- Interest receivables – The carrying value reasonably approximates fair value.
- Other receivables and prepayments – The carrying value reasonably approximates fair value.
- Derivatives – the Company estimates fair values of derivatives based on the latest available forward exchange rates.
- Payables for investments purchased – The carrying value reasonably approximates fair value as they reflect the value at which investments are purchased from a willing seller and settlement period on their balances is short term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

- Payables to Investment Manager and affiliates – The carrying value reasonably approximates fair value.
- Accrued expenses and other liabilities – The carrying value reasonably approximates fair value.

A fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value is established under FASB ASC Topic 820. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3). The levels of the fair value hierarchy under FASB ASC Topic 820-10-35-39 to 55 are as follows:

The guidance establishes three levels of the fair value hierarchy as follows:

Level 1: price quotations in active markets/exchanges for identical securities;

Level 2: other observable inputs (including but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs); and

Level 3: unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Company's own assumption used in determining the fair value of investments).

The Company has adopted the authoritative guidance contained in FASB ASC 820-10, Fair Value Measurements and Disclosures, for estimating the fair value of the financial instruments that have calculated Net Asset Value per share in accordance with FASB ASC 946-10.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table details the Company's financial instruments that were accounted for at fair value as at 31 December 2012.

Financial Instruments at Fair Value as at 31 December 2012

Financial investments	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Floating rate senior secured loans	-	664,324,754	-	664,324,754
Fixed rate bonds	-	46,995,298	-	46,995,298
Floating rate bonds	-	3,570,800	-	3,570,800
Total financial investments	-	714,890,852	-	714,890,852

Financial Assets	No of contracts	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Derivatives (for hedging purposes only)	7	-	6,004,258	-	6,004,258
Financial liabilities					
Derivatives (for hedging purposes only)	4	-	(674,600)	-	(674,600)
Total	11	-	5,329,658	-	5,329,658

ANNUAL REPORT**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)****Financial Instruments at Fair Value as at 31 December 2011**

Financial investments	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Floating rate senior secured loans	-	574,161,253	-	574,161,253
Fixed rate bonds	-	64,081,582	-	64,081,582
Floating rate bonds	-	6,729,394	-	6,729,394
Asset backed securities	-	2,006,880	-	2,006,880
Total financial investments	-	646,979,109	-	646,979,109

Financial Assets	No of contracts			
Derivatives (for hedging purposes only)	6	1,898,293	-	1,898,293
Financial liabilities				
Derivatives (for hedging purposes only)	5	(2,816,592)	-	(2,816,592)
Total	11	-	(918,299)	(918,299)

The following table presents the impact of derivative instruments on the Consolidated Statement of Operations in conformity with US GAAP.

Primary underlying risk	For the year ended December 2012	For the period from 10 March 2011 to 31 December 2011
	\$	\$
Net realised gain / (loss) on derivatives	22,076,850	(10,902,676)
Net change in unrealised depreciation on derivatives	5,888,687	(918,299)
Total	27,965,537	(11,820,975)

NOTE 6 – RISKS

The Company is subject to various risks, including, but not limited to, market risk, foreign exchange risk, credit risk and liquidity risk. The Investment Manager attempts to monitor and manage these risks on an ongoing basis. While the Investment Manager generally seeks to hedge certain portfolio risks, the Investment Manager is not required and may not attempt to hedge all market or other risks in the portfolio, and it may decide to only partially hedge certain risks.

Market Risk and Price Risk

Market risk is the potential for changes in the value of investments. Categories of market risk include, but are not limited to interest rate and foreign exchange risk. Interest rate risk primarily results from exposures to changes in the level, slope and curvature of the yield curve, the volatility of interest rates and credit spreads.

Price risk is the risk that the price of the security will fall. The exposure to price risk is managed by the Investment Manager by diversifying the portfolio and economically using forward contracts.

Foreign exchange risk

Foreign exchange risk arises from various currency exposures, primarily with respect to Sterling investments and share issue proceeds. The Company makes use of hedging techniques, as part of its risk management strategy, including but not limited to the use of forward exchange contracts to mitigate its exposure to this risk. These instruments involve market risk, credit risk, or both kinds of risks. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 – RISKS (CONTINUED)

Credit Risk

The Company may invest in a range of bank debt investments, asset backed securities and corporate and other bonds and other credit sensitive securities. Until such investments are sold or are paid in full at maturity, the Company is exposed to credit risk relating to whether the issuer will meet its obligations when the securities come due.

The cash and other liquid securities held can subject the Company to a concentration of credit risk. The Investment Manager attempts to mitigate the credit risk that exists with cash deposits and other liquid securities by regularly monitoring the credit ratings of such financial institutions and at times attempting to hold a significant amount of the Company's cash and cash equivalents in U.S. Treasuries or other highly liquid securities.

Credit risk is the risk of losses due to the failure of counterparty to perform according to the terms of a contract. Since the Company does not clear all of its own securities transactions, it has established accounts with other financial institutions for this purpose. This can, and often does, result in a concentration of credit risk with one or more of these institutions. Such risk, however, is partially mitigated by the obligation of certain of these financial institutions to comply with rules and regulations governing financial institutions in countries where they conduct their business activities.

These rules and regulations generally require maintenance of minimum net capital and may also require segregation of customers' funds and financial instruments from the holdings of the financial institutions themselves. The Company actively reviews and attempts to manage exposures to various financial institutions in an attempt to mitigate these risks.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as and when these fall due. Liquidity risk is managed by the Investment Manager to ensure that the Company maintains sufficient working capital in cash or near cash form so as to be able to meet the Company's ongoing requirements as these are budgeted for.

Other Risks

Legal, tax and regulatory changes could occur during the term of the Company that may adversely affect the Company. The regulatory environment for alternative investment vehicles is evolving, and changes in the regulation of alternative investment vehicles may adversely affect the value of investments held by the Company or the ability of the Company to pursue its trading strategies. The effect of any future regulatory change on the Company could be substantial and adverse.

NOTE 7 – INCOME TAXES

The Company is exempt from Guernsey tax on income derived from non-Guernsey sources. However, certain of its underlying investments may generate income that is subject to tax in other jurisdictions, principally in the United States.

In accordance with US GAAP, Management is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognised is measured as the largest amount of benefit that is greater than 50% likely of being realised upon ultimate settlement. De-recognition of a tax benefit previously recognised could result in the Company recording a tax liability that would reduce net assets. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities.

As of 31 December 2012, the Company has recorded no liability for net unrecognised tax benefits relating to uncertain tax positions they have taken or expect to take in future tax returns (31 December 2011: Nil).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 – FINANCIAL HIGHLIGHTS

31 December 2012

	Sterling Series of Ordinary Share Class as at 31/12/2012 (£)	U.S. Dollar Series of Ordinary Share Class as at 31/12/2012 (\$)
Per share operating performance		
Net Asset Value per share at the beginning of the year	0.9479	0.9497
Shareholder activity during the year	0.0044	(0.0300)
Income from investment operations (a)		
Net income per share for the year (b)	0.0546	0.0527
Net realised and unrealised gain from investments (c)	0.0943	0.0777
Foreign currency translation	(0.0566)	-
Total gain from operations	0.0923	0.1304
Distribution per share during the year	(0.0494)	(0.0494)
Net asset value per share at the end of the year	0.9952	1.0007
Total return* (b)		
Total return**	5.46%	5.28%

** The total return is calculated after distribution. The total return of the Company prior to distribution is 10.37% and 10.31% for the Sterling and U.S Dollar series of ordinary share class respectively.

	Sterling Series of Ordinary Share Class as at 31/12/2012	U.S. Dollar Series of Ordinary Share Class as at 31/12/2012
Ratios to average net assets (b)		
Net income (c)	5.02%	5.43%
Expenses (c)	(0.97)%	(1.03)%

31 December 2011

	Sterling Series of Ordinary Share Class as at 31/12/2011 (£)	U.S. Dollar Series of Ordinary Share Class as at 31/12/2011 (\$)	Sterling Series of C Share Class as at 31/12/2011 (£)	U.S. Dollar Series of C Share Class as at 31/12/2011 (\$)
Per share operating performance				
Net Asset Value per share at the initial offering	0.9800	0.9800	0.9800	0.9800
Shareholder activity in the period	-	0.0017	-	-
Income from investment operations (a)				
Net income per share for the period (b)	0.0242	0.0233	0.0028	0.0028
Net realised and unrealised gain/(loss) from investments (c)	(0.0939)	(0.0404)	(0.0001)	0.0085
Foreign currency translation	0.0525	-	0.0085	-
Total gain/(loss) from operations	(0.0172)	(0.0171)	0.0112	0.0113
Distribution per share during the period	(0.0149)	(0.0149)	-	-
Net asset value per share at the end of the period	0.9479	0.9497	0.9912	0.9913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**NOTE 8 – FINANCIAL HIGHLIGHTS (CONTINUED)****31 December 2011**

	Sterling Series of Ordinary Share Class as at 31/12/2011	U.S. Dollar Series of Ordinary Share Class as at 31/12/2011	Sterling Series of C Share Class as at 31/12/2011	U.S. Dollar Series of C Share Class as at 31/12/2011
Total return* (b)				
Total return	(3.28)%	(3.26)%	1.14%	1.11%
Ratios to average net assets (b)				
Net income (c)	4.45%	4.28%	2.10%	2.09%
Expenses (c)	(1.07)%	(1.01)%	(0.98)%	(0.97)%

(a) Average shares outstanding were used for calculation.

(b) An individual shareholder's return may vary from these returns based on the timing of the shareholder's subscriptions.

(c) Annualised.

*Total return or loss is calculated for the ordinary share class only, which is calculated based on movement in the net asset value, and does not reflect any movement in the market value. Subscription shares are not presented, as they are not profit participating shares.

NOTE 9 – SHARE CAPITAL

The share capital of the Company consists of an unlimited number of Ordinary Shares of no par value, which upon issue the Directors may classify as:

- (i) U.S. Dollar Shares, Sterling Shares or Euro Shares or as Shares of such other classes as the Directors may determine;
- (ii) B Shares of such classes denominated in such currencies as the Directors may determine; and
- (iii) C Shares of such classes denominated in such currencies as the Directors may determine.

The rights attached to the above shares are one vote in respect of each share held and, in the case of a general meeting of all Shareholders:

- (a) one vote in respect of each U.S. Dollar Share held by the shareholder;
- (b) 1.6 votes in respect of each Sterling Share held by the shareholder; and
- (c) in respect of a Share of a class denominated in any currency other than U.S. Dollars, Sterling or Euro held by the shareholder, such number of votes per Share of such class as shall be determined by the Directors in their absolute discretion upon the issue for the first time of Shares of the relevant class.

The Directors may effect distributions of capital proceeds attributable to the Ordinary Shares to holders of Ordinary Shares by issuing B Shares of a particular class to holders of Ordinary Shares of a particular class pro-rata to their holding of Ordinary Shares of such class.

The B Shares are issued on terms that each B Share shall be compulsorily redeemed by the Company shortly following issue and the redemption proceeds paid to the holders of such B Shares on such terms and in such manner as the Directors may from time to time determine.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)NOTE 9 – SHARE CAPITAL (CONTINUED)

The B Shares do not:

- (a) carry any right to any dividends or other distributions of the Company other than as expressly permitted under these Articles;
- (b) entitle the holder thereof to any surplus assets of the Company remaining after payment to all the creditors of the Company apart from a distribution in respect of any capital paid up on the B Shares, which shall rank behind any amounts due in respect of other classes of shares and such distribution shall be distributed pro rata; or
- (c) carry any right to receive notice of, or attend or vote at, any general meeting of the Company or any right to vote on written resolutions of the Company.

The Directors are authorised to issue C Shares of such classes (and denominated in such currencies) as they may determine in accordance with Article 4 and with C Shares of each such class being convertible into Ordinary Shares of such class as the Directors may determine at the time of issue of such C Shares.

C Shares will not carry the right to attend and receive notice of any general meetings of the Company, nor will they carry the right to vote at such meetings.

There were no Euro shares or C Shares in issue as at 31 December 2012 (31 December 2011: No Euro shares ; 5,511,010 U.S. Dollar C Shares and 115,899,186 Sterling C Shares).

From 1 January 2012 to 31 December 2012	U.S. Dollar Series of C Shares	Sterling Series of C Shares	U.S. Dollar Series of Ordinary Shares	Sterling Series of Ordinary Shares	Total
Balance as at 1 January 2012	5,511,010	115,899,186	138,173,155	235,224,040	494,807,391
Scrip Issue **	-	-	341,893	1,967,060	2,308,953
Monthly Conversions***	-	-	(61,169,240)	38,056,517	(23,112,723)
Conversion of C Shares****	(5,511,010)	(115,899,186)	5,797,522	122,146,117	6,533,443
Balance as at 31 December 2012	-	-	83,143,330¹	397,393,734²	480,537,064

From 10 March 2011 to 31 December 2011	U.S. Dollar Series of C Shares	Sterling Series of C Shares	U.S. Dollar Series of Ordinary Shares	Sterling Series of Ordinary Shares	Total
Opening Balance	-	-	-	-	-
Initial Shares Issued	5,511,010	115,899,186	107,220,280	243,973,227	472,603,703
Tap Issues*	-	-	12,114,891	1,715,000	13,829,891
Scrip Issue **	-	-	91,565	710,833	802,398
Monthly Conversions***	-	-	18,746,419	(11,175,020)	7,571,399
Balance as at 31 December 2011	5,511,010³	115,899,186⁴	138,173,155⁵	235,224,040⁶	494,807,391

The shares of no par value had the following issue proceeds:

¹ \$80,886,175

² \$619,060,722 (£380,855,680)

³ \$5,402,918

⁴ \$178,061,251 (£114,574,272)

⁵ \$135,646,236

⁶ \$377,466,181 (£242,882,225)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 – SHARE CAPITAL (CONTINUED)

*During the period to 31 December 2012, no shares were issued under block listing application as tap issues (31 December 2011: 13,829,891).

** At the time of each quarterly dividend declaration, the Company offered a scrip dividend alternative for the distribution to those investors who wish to receive additional Ordinary Shares in lieu of a cash payment.

*** The Company offers a monthly conversion facility pursuant to which Shareholders may elect to convert some or all of their Shares of a class into Shares of any other class.

**** On 5 January 2012, the Company announced a Conversion ratio for the conversion of C Shares into Ordinary Shares. The conversion ratio, based on the NAV of each share class as at 31 December 2011, (as calculated in accordance with the Company's prospectus dated 7 September 2011 (the "Prospectus")), was 1.05390 Sterling Ordinary Shares for every one Sterling C Share held, and 1.05199 Dollar Ordinary Shares for every one Dollar C Share held. On this basis an application was made to the UK Listing Authority for 122,146,117 Sterling Shares and 5,797,522 US Dollar Shares (together the "New Shares") to be admitted to the Official List. Application was also made for the New Shares to be admitted to trading on the London Stock Exchange, which became effective when the dealings in the New Shares commenced on 17 January 2012. The C Shares were permanently removed from trading on the London Stock Exchange with effect from the opening of trading at 8:00 a.m. on 17 January 2012.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for the Company through 12 April 2013, the date the consolidated financial statements are available to be issued, and had concluded there are not any material events that require disclosure or adjustment of the consolidated financial statements other than those listed below.

On 8 April 2013, the Company declared a dividend of \$0.01220 per U.S. Dollar share and £0.01220 per Sterling share, covering the period 1 January 2013 to 31 March 2013. This dividend is payable to shareholders on 24 May 2013.

On 21 March 2013, the Board of the Company announced that the Company has raised gross proceeds of approximately £363 million (approximately \$550 million) by means of a Placing and Offer for Subscription of C Shares. Following this issue, 363,549,886 Sterling C Shares were admitted to listing on the official list of the UK Listing Authority. On 26 March 2013, the Sterling C Shares started trading on the main market of the London Stock Exchange.

NOTE 11 - DIVIDENDS

a) The following dividends were declared for Ordinary Shareholders since inception:

Period	Date declared	Payment Date	U.S. Dollar Share	Sterling Share
Period 20 April 2011 to 30 September 2011	12 October 2011	9 December 2011	\$0.01486	£0.01486
Quarter ended 31 December 2011	5 January 2012	24 February 2012	\$0.01187	£0.01187
Special dividend (to C shareholders only at the Conversion of C Shares)	5 January 2012	24 February 2012	\$0.00323	£0.00323
Quarter ended 31 March 2012	12 April 2012	25 May 2012	\$0.01260	£0.01260
Quarter ended 30 June 2012	5 July 2012	24 August 2012	\$0.01310	£0.01310
Quarter ended 30 September 2012	3 October 2012	23 November 2012	\$0.01210	£0.01210
Quarter ended 31 December 2012	9 January 2013	22 February 2012	\$0.01160	£0.01160
Quarter ended 31 March 2013	8 April 2013	24 May 2013	\$0.01220	£0.01220

The company has issued the following Ordinary Shares under Scrip Dividend Alternative since inception:

Period	Number of U.S. Dollar Share	Number of Sterling Share	U.S. Dollar Share	Sterling Share
Quarter ended 30 September 2011	91,565	710,833	\$0.95880	£0.96320
Quarter ended 31 December 2011	68,398	592,380	\$0.95300	£0.95760
Quarter ended 31 March 2012	84,444	14,653	\$0.99300	£1.00020
Quarter ended 30 June 2012	97,572	792,651	\$0.97840	£0.97160
Quarter ended 30 September 2012	91,479	567,376	\$1.00400	£0.99030
Quarter ended 31 December 2012	29,500	821,100	\$1.02000	£1.00650

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NB GLOBAL FLOATING RATE INCOME FUND LIMITED

(a non-cellular company limited by shares incorporated under the laws of Guernsey with registered number 53155)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**Annual General Meeting**") of NB Global Floating Rate Income Fund Limited (the "**Company**") will be held at BNP Paribas House, 1 St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA on 19 June 2013 at 10:00 BST for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

- (1) to receive and consider the Annual Report and Financial Statements for the year ended 31 December 2012, together with the Reports of the Directors and Auditors thereon;
- (2) to receive and ratify the Remuneration report in the Annual Report and Financial Statements for the year ended 31 December 2012;
- (3) to re-elect Mr William Frewen as a Director of the Company;
- (4) to re-elect Mr Richard Battey as a Director of the Company;
- (5) to re-elect Mrs Sandra Platts as a Director of the Company;
- (6) to re-appoint PricewaterhouseCoopers CI LLP as the independent auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company;
- (7) to authorise the Directors to determine the auditors' remuneration;

Special Resolutions

To consider and, if thought fit, pass the following resolutions, which will be proposed as special resolutions:

- (8) **THAT**, in accordance with section 315 of The Companies (Guernsey) Law, 2008, as amended (the "**Law**"), the Company be and is hereby generally and unconditionally authorised to make one or more market acquisitions (as defined in section 316 of the Law) of its Ordinary Shares (as defined in the Company's articles of incorporation) (the "**Shares**"), on such terms and in such manner as the directors may from time to time determine and to cancel such Shares or hold such Shares in treasury in accordance with the Law, provided that:
 - (i) the maximum aggregate number of Shares denominated in U.S. Dollars ("**U.S. Dollar Shares**") and Shares denominated in Sterling ("**Sterling Shares**") hereby authorised to be acquired is 9,425,020 U.S. Dollar Shares and 61,540,331 Sterling Shares or, if less, such other number of Shares that is equal to 14.99 per cent. of each class of Shares in issue as at the date this resolution is passed;
 - (ii) the minimum price (exclusive of expenses) which may be paid for a Share shall be 1 pence / 1 cent (as applicable);
 - (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share of any class shall be the higher of: (a) an amount equal to 105 per cent. of the average middle market quotations for a Share of the relevant class as derived from and calculated by reference to the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Shares of such class are purchased; and (b) the higher of (A) the price or the last independent trade; and (B) the highest current independent bid, for a Share of the relevant class on the London Stock Exchange at the time the purchase is carried out;
 - (iv) the authority hereby conferred shall expire at the earlier of: (a) the conclusion of the next annual general meeting of the Company, to be held in 2014; or (b) the date which is 18 months from the date on which this resolution is passed unless previously renewed, varied or revoked by the Company in general meeting; and

NB GLOBAL FLOATING RATE INCOME FUND LIMITED (continued)

- (v) notwithstanding paragraph (iv) of this resolution, the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiration of such authority, and may make a purchase of Shares pursuant to any such contract.
- (9) **THAT** the Directors of the Company be and are hereby authorised to allot and issue equity securities (within the meaning of the Articles of Incorporation) for cash either pursuant to article 4.4. of the Articles of Incorporation or by way of a sale of treasury shares as if article 6.2 of the Articles of Incorporation did not apply to any such allotment and issue, provided that this power shall be limited to the allotment and issue of (i) up to 6,325,517 U.S. Dollar Shares (excluding treasury shares) or, if less, 10 per cent. of the U.S. Dollar Shares in issue as at 19 June 2013; and (ii) up to 41,054,257 Sterling Shares (excluding treasury shares) or, if less, 10 per cent. of the Sterling Shares in issue as at 19 June 2013 and shall expire upon the date of the next annual general meeting of the Company to be held in 2014, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted and issued after such expiry and the Directors shall be entitled to allot and issue equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot and issue equity securities in the capital of the Company wholly for cash as if the pre-emption rights contained in article 6.2 of the Articles of Incorporation did not apply to such allotment and issue but without prejudice to any allotment and issue of shares already made, offered or agreed to be made pursuant to such authorities.

BY ORDER OF THE BOARD
BNP Paribas Fund Services (Guernsey) Limited
Company Secretary
12 April 2013

Registered Office:
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

ANNUAL REPORT

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Resolutions 1 to 7 are proposed as ordinary resolutions. For each ordinary resolution to be passed, more than half of the total number of votes cast by shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

Resolutions 8 and 9 are proposed as special resolutions. For a special resolution to be passed, not less than 75 per cent. of the total number of votes cast by shareholders being entitled to vote (by proxy or in person) must be in favour of the resolution.

1 Voting record date

The Company specifies that only those holders of Ordinary Shares entered on the register of members of the Company as at 18:00 BST on 17 June 2013 or, in the event that this Annual General Meeting is adjourned, on the register of members of the Company 48 hours before the time of any adjourned Annual General Meeting, will be entitled to attend or vote at the Annual General Meeting in respect of the number of Ordinary Shares registered in their name at that time. The register of members of the Company at that time is also used for the purposes of calculating how many votes a holder of each Ordinary Share may cast and such Shareholders shall be entitled on a poll to (A) one vote in respect of each US Dollar Share held by him; and (B) 1.6 votes in respect of each Sterling Share held by him. Changes to entries on the register after 18:00 BST on 17 June 2013 or, in the event that this Annual General Meeting is adjourned, in the register of members of the Company 48 hours before the time of any adjourned Annual General Meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. In calculating such 48 hour periods referred to above, no account shall be taken of any part of a day that is not a Business Day.

2 Joint registered holders

Where there are joint registered holders of any Ordinary Share, such persons shall not have the right of voting individually in respect of such Ordinary Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the share register of the Company shall alone be entitled to vote.

3 Right to appoint proxies

A member of the Company entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to exercise all or any of his or her rights to attend and to speak and vote instead of him or her in any of the following ways: (a) by completing and returning the enclosed Form of Proxy; or (b) through the CREST electronic proxy appointment service (if they are users of CREST, including CREST personal members). Members who have lodged Forms of Proxy, or who have appointed a proxy through CREST, are not thereby prevented from attending the Annual General Meeting and voting in person if they so wish. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent you. If you wish your proxy to speak on your behalf at the Annual General Meeting, you will need to appoint your own choice of proxy (not the Chairman/Secretary) and give your instructions directly to them.

A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by a member. You may not appoint more than one proxy to exercise rights attached to any one share. Where multiple proxies have been appointed to exercise rights attached to different shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

4 Proxies' rights to vote at the meeting

On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member, and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for", and "against" in order to reflect the different voting instructions.

On a poll all or any of the voting rights of the member may be exercised by one or more duly appointed proxies.

5 Voting by corporate representatives

Corporate representatives are entitled to attend, and vote on behalf of the corporate member.

6 Receipt and termination of proxies

To be valid a Form of Proxy must be deposited, by hand or by post, at the offices of Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 10:00 BST on 17 June 2013. If you prefer, you can return a Form of Proxy from the UK in an envelope addressed to: FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, BR3 4TU. The Company will also accept Forms of Proxy deposited in accordance with the Articles of Incorporation. The Directors may in their absolute discretion elect to treat as valid any instrument appointing a proxy which is deposited later than 10:00 BST on 17 June 2013. If the Directors so elect, the person named in such instrument of proxy shall be entitled to vote.

A member may terminate a proxy's authority at any time before the commencement of the meeting. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or a duly appointed attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Capita Registrars no later than 10:00 BST on 17 June 2013. If you attempt to revoke your proxy

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING (continued)

6 Receipt and termination of proxies (continued)

appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions: any amended proxy appointment received after the relevant cut-off time will be disregarded.

7 Electronic receipt of proxies

CREST members who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using 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 or instruction made using the CREST service to be valid, the appropriate CREST message (the CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Registrars (CREST participant RA10) by no later than 10:00 BST on 17 June 2012. 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 Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, 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) or the Uncertificated Securities Regulations 2001.

8 Attendance at the Annual General Meeting

Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and vote at the Annual General Meeting in person in respect of Ordinary Shares for which you have appointed a proxy, your proxy appointment in respect of those Ordinary Shares will automatically be terminated.

In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy. Where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the more senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the more senior).

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to every other matter which is put before the Annual General Meeting.

9 Questions at the Annual General Meeting

The Directors will answer any questions raised at the Annual General Meeting which relate to the business of the meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the meeting that the question be answered.

10 Website

A copy of the notice of the meeting, including these explanatory notes, is included on the Company's website: www.nbgqirif.com.

11 Total voting rights

The total number of voting rights in the Company as at 10 April 2013 (being the last practicable date prior to the publication of this notice) is 720,123,286.

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NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING (continued)

12 Quorum

The quorum for the Annual General Meeting will be two holders of Ordinary Shares present and entitled to vote in person or by proxy. In the event that a quorum is not present for the Annual General Meeting within 30 minutes of the time appointed for the Annual General Meeting, the Annual General Meeting shall stand adjourned for five business days at the same time and place or to such other day and at such other time and place as the board of Directors may determine and no notice of adjournment need be given. At any such adjourned meeting, those members who are present in person shall be a quorum.

NB GLOBAL FLOATING RATE INCOME FUND LIMITED

(a non-cellular company limited by shares incorporated under the laws of Guernsey with registered number 53155)

ANNUAL GENERAL MEETING – FORM OF PROXY

For use at the annual general meeting (the "**Annual General Meeting**") of NB Global Floating Rate Income Fund Limited (the "**Company**") to be held at BNP Paribas House, 1 St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA on 19 June 2013 at 10:00 BST.

(PLEASE USE BLOCK CAPITALS)

I/We, (name in full) (note 1) _____
of (address in full) _____

being (a) member(s) of NB Global Floating Rate Income Fund Limited, hereby appoint the Chairman of the Annual General Meeting or the Secretary or *(note 2) _____

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company, to be held at BNP Paribas House, 1 St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA on 19 June 2013 at 10:00 BST and at any adjournment thereof and to vote on the following resolutions as directed below.

Please tick here you are appointing more than one proxy*. Number of Ordinary Shares proxy appointed over.

* For the appointment of more than one proxy, see note 3.

Please indicate with an "X" (note 4) in the appropriate spaces below how you wish your votes to be cast. If no indications are given, your proxy will vote for or against each resolution or abstain from voting as he thinks fit.

	Ordinary Resolutions	For	Against	Withheld
1.	To receive and consider the Annual Report and Financial Statements for the year ended 31 December 2012, together with the Reports of the Directors and Auditors thereon			
2.	To receive and ratify the Remuneration report in the Annual Report and Financial Statements for the year ended 31 December 2012			
3.	To re-elect Mr William Frewen as a Director of the Company			
4.	To re-elect Mr Richard Battey as a Director of the Company			
5.	To re-elect Mrs Sandra Platts as a Director of the Company			
6.	To re-appoint PricewaterhouseCoopers CI LLP as independent auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company			
7.	To authorise the Directors to determine the auditors' remuneration			
	Special Resolutions			
8.	To authorise the Company to make market acquisitions of its own ordinary shares			
9.	To dis-apply pre-emption rights			

Signed: _____ Date: _____

ANNUAL REPORT

Notes:

1. In the case of a joint holding the signature of any holder is sufficient but the vote of the senior holder who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the other joint holders; for this purpose seniority shall be determined by the order in which the names stand in the register of members.
2. If you wish to appoint a proxy other than the Chairman/Secretary you should delete the words "the Chairman of the Annual General Meeting or Secretary", insert the name and address of your appointee in the space provided and initial the amendment. A proxy need not be a member of the Company.
3. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by a member. You may not appoint more than one proxy to exercise rights attached to any one share. Where multiple proxies have been appointed to exercise rights attached to different shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. Please indicate by marking "X" in the appropriate space how you wish your votes to be cast. Unless so instructed by you, the proxy will vote for or against each resolution or abstain from voting as he/she thinks fit.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised and need not be witnessed.
6. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

Upon completion please return this Form of Proxy to the following address to arrive no later than 48 hours before the scheduled start of the Annual General Meeting: CAPITA REGISTRARS, PXS, 34 Beckenham Road, Beckenham, BR3 4TU.

If you prefer, you can return this Form of Proxy from the UK in an envelope addressed to: FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, BR3 4TU.