

NB CAPITAL CORP
Form 10-Q
November 13, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 1-14103

**NB CAPITAL CORPORATION
(Exact name of registrant as specified in its charter)**

Maryland
**(State or other jurisdiction of
incorporation or organization)**

52-2063921
**(I.R.S. Employer
Identification No.)**

65 East 55th Street, New York, New York
(Address of principal executive offices)

10022
(Zip Code)

212-632-8697
(Registrant's telephone number, including area code)

**(N/A)
(Former name, former address and former fiscal year, if changed since last report)**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 13, 2007
Common Stock par value \$0.01 per share	100

NB CAPITAL CORPORATION

Index

	Page
Part I. FINANCIAL INFORMATION:	
Item 1(a). Financial Statements	
Balance Sheets – As of September 30, 2007 and December 31, 2006	1
Statements of Income – For the three-month and nine-month periods ended September 30, 2007 and 2006	2
Statements of Stockholders' Equity – For the three-month and nine-month periods ended September 30, 2007 and 2006	3
Statements of Cash Flows – For the nine-month periods ended September 30, 2007 and 2006	4
Notes to the financial statements	5
Item 1(b). National Bank of Canada Summarized Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	9
Item 3. Quantitative and Qualitative Disclosures About Market Risk	11
Item 4. Controls and Procedures	11
Part II. OTHER INFORMATION :	
Item 5. Other Information	11
Item 6. Exhibits	11

References to \$ are to United States dollars; references to C\$ are to Canadian dollars. On September 30, 2007, the Canadian dollar exchange rate posted by the Bank of Canada was C\$0.9948 = \$1.00 and certain amounts stated herein reflect such exchange rate.

PART I FINANCIAL INFORMATION
 ITEM 1(a). FINANCIAL STATEMENTS

NB CAPITAL CORPORATION

BALANCE SHEETS

<i>(in thousands of US dollars)</i>	September 30, 2007 (Unaudited)	December 31, 2006
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	3,499	90,212
Due from an affiliated company	14,924	8,801
Promissory notes - current portion	272,645	186,718
Prepaid expenses	53	34
Accrued interest on cash equivalents	1	47
Total Current Assets	291,122	285,812
Promissory notes	192,423	193,805
Total assets	483,545	479,617
Liabilities		
Current Liabilities		
Due to the parent company	402	365
Accounts payable	84	44
Total liabilities	486	409
Stockholders' equity		
Capital stock and Additional paid-in capital	476,764	476,764
Retained earnings	6,295	2,444
Total stockholders' equity	483,059	479,208
Total liabilities and stockholders' equity	483,545	479,617

See accompanying notes to the financial statements.

NB CAPITAL CORPORATION**STATEMENTS OF INCOME***(Unaudited)*

<i>(in thousands of US dollars, except per share amounts)</i>	Three-month periods ended		Nine-month periods ended	
	September 30, 2007	2006	September 30, 2007	2006
	\$	\$	\$	\$
Revenue				
Interest income				
Cash and cash equivalents	1,126	697	2,827	1,626
Promissory notes	6,627	7,356	21,214	23,428
Total revenue	7,753	8,053	24,041	25,054
Expenses				
Servicing and advisory fees	402	399	1,153	1,226
Legal and other professional fees	74	64	227	187
Total expenses	476	463	1,380	1,413
Net income	7,277	7,590	22,661	23,641
Preferred stock dividends				