

Credit Europe Bank N.V.
Amsterdam, The Netherlands

Condensed Interim Financial Statements
June 30, 2009

CREDIT EUROPE BANK N.V.

TABLE OF CONTENTS

	Page
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Statements	6-39

Credit Europe Bank N.V.**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As of June 30, 2009****(Unless otherwise stated all amounts are in thousand Euros)****ASSETS**

	Notes	June 30, 2009	December 31, 2008
Cash and balances at central banks	4	1,797,634	1,964,800
Financial assets at fair value through profit or loss	5	1,136,386	251,608
Financial investments	6	859,723	386,720
Loans and receivables – banks	7	962,258	952,932
Loans and receivables – customers	8	5,404,069	5,369,721
Derivative financial instruments	10	317,740	425,074
Equity accounted investment		442	125
Property and equipment		83,958	91,711
Intangible assets		20,584	15,696
Assets held for sale	11	9,983	-
Other assets	12	74,098	82,390
Total assets		10,666,875	9,540,777

LIABILITIES

Due to banks	13	1,125,134	1,229,425
Due to customers	14	8,204,569	6,801,952
Derivative financial instruments	10	238,134	334,475
Issued debt securities and other borrowed funds	15	112,977	135,569
Provisions		1,500	1,748
Other liabilities	16	125,100	135,520
Total liabilities (excluding subordinated liabilities)		9,807,414	8,638,689
Subordinated liabilities	17	226,787	231,079
Total liabilities		10,034,201	8,869,768
Equity			
Share capital	18	399,500	399,500
Share premium		163,748	162,321
Retained earnings		162,363	141,764
Fair value reserve		(2,414)	(10,205)
Hedge reserve		4,113	39,561
Translation reserve		(111,223)	(84,915)
Equity attributable to shareholders of the parent company		616,087	648,026
Equity attributable to minority interests		16,587	22,983
Total equity		632,674	671,009
Total equity and liabilities		10,666,875	9,540,777
Commitment and contingencies	28	1,108,800	1,417,102

Credit Europe Bank N.V.

CONDENSED CONSOLIDATED INCOME STATEMENT

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

	Notes	January 1- June 30, 2009	January 1- June 30, 2008
Interest and similar income		578,300	501,988
Interest expense and similar charges		(410,765)	(312,878)
Net interest income	20	167,535	189,110
Fees and commissions income		37,590	45,612
Fees and commissions expense		(14,156)	(12,565)
Net fee and commission income	21	23,434	33,047
Net trading income	22	43,029	21,280
Results from financial transactions		3,896	2,010
Other operating income		3,785	4,209
Operating income		50,710	27,499
Credit loss charges		(83,517)	(32,950)
Net operating income		158,162	216,706
Personnel expenses	23	(61,694)	(77,405)
General and administrative expenses	24	(46,100)	(45,353)
Depreciation and amortization		(8,112)	(7,617)
Other operating expenses		(1,693)	(728)
Other impairment loss		(25)	(167)
Total operating expenses		(117,624)	(131,270)
Operating profit before tax		40,538	85,436
Income tax expense		(12,883)	(20,121)
Profit for the period		27,655	65,315
<i>Attributable to:</i>			
Equity holders of the parent		27,295	63,884
Minority interests		360	1,431
<i>Earnings per share attributable to equity holders of the parent (in EUR)</i>	26		
Basic		0.0683	0.1894
Diluted		0.0683	0.1894

Credit Europe Bank N.V.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

Attributable to equity holders of the parent

	<i>Issued capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Fair Value reserve</i>	<i>Hedge reserve</i>	<i>Translation reserve</i>	<i>Total</i>	<i>Minority interest</i>	<i>Total equity</i>
At January 1, 2009	399,500	162,321	141,764	(10,205)	39,561	(84,915)	648,026	22,983	671,009
Net gains on available-for-sale financial assets	-	-	-	7,791	-	-	7,791	19	7,810
Foreign currency translation	-	-	-	-	-	(26,308)	(26,308)	246	(26,062)
Net gain on hedge	-	-	-	-	(35,448)	-	(35,448)	(442)	(35,890)
Profit for the year	-	-	27,295	-	-	-	27,295	360	27,655
Total income and expense for the year recognized directly in equity	-	-	27,295	7,791	(35,448)	(26,308)	(26,670)	183	(26,487)
Transfer from the retained earnings	-	-	-	-	-	-	-	(1,177)	(1,177)
Transfer from share premium	-	-	-	-	-	-	-	(21)	(21)
Addition to reserve on tangibles	-	-	109	-	-	-	109	(37)	72
Issue of share capital	-	-	-	-	-	-	-	(5,344)	(5,344)
Addition to share premium	-	1,427	-	-	-	-	1,427	-	1,427
Dividends paid	-	-	(6,805)	-	-	-	(6,805)	-	(6,805)
At June 30, 2009	399,500	163,748	162,363	(2,414)	4,113	(111,223)	616,087	16,587	632,674
At January 1, 2008	324,500	162,321	69,698	(1,162)	-	(20,217)	535,140	18,944	554,084
Net gains on available-for-sale financial assets	-	-	-	(3,650)	-	-	(3,650)	(1)	(3,651)
Foreign currency translation	-	-	-	-	-	(1,451)	(1,451)	342	(1,109)
Net gain on hedge	-	-	-	-	(4,017)	-	(4,017)	-	(4,017)
Profit for the year	-	-	63,884	-	-	-	63,884	1,431	65,315
Total income and expense for the year recognized directly in equity	-	-	63,884	(3,650)	(4,017)	(1,451)	54,766	1,772	56,538
Transfer from the retained earnings	-	-	-	-	-	-	-	(608)	(608)
Transfer from share premium	-	-	-	-	-	-	-	(12)	(12)
Addition to reserve on tangibles	-	-	-	-	-	-	-	70	70
Issue of share capital	75,000	-	-	-	-	-	75,000	545	75,545
At June 30, 2009	399,500	162,321	133,582	(4,812)	(4,017)	(21,668)	664,906	20,711	685,617

Credit Europe Bank N.V.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

	January 1- June 30, 2009	January 1- June 30, 2008
Profit for the period	27,655	65,315
Foreign currency translation differences for foreign operations	(26,062)	(1,109)
Net change in fair value of available-for-sale assets	7,810	(3,651)
Net loss on hedge	(35,890)	(4,017)
Net change in fair value of available-for-sale transferred to profit or loss	(224)	-
<i>Other comprehensive income for the period</i>	(54,366)	(8,777)
<i>Total comprehensive income for the period</i>	(26,711)	56,538
<i>Attributable to:</i>		
<i>Owners of the company</i>	(26,894)	54,766
<i>Non-controlling interest</i>	183	1,772
<i>Total comprehensive income for the period</i>	(26,711)	56,538

Credit Europe Bank N.V.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

As of June 30, 2008

(Unless otherwise stated all amounts are in Euros)

	January 1- June 30, 2009	January 1- June 30, 2008
Cash flows from operating activities	352,393	(21,833)
Cash flows from investing activities	(487,201)	(164,022)
Cash flows from financing activities	(5,426)	(20,284)
Movement in cash and cash equivalents	(140,234)	(206,139)
Cash and cash equivalents at the beginning of the period	1,964,800	588,228
Net foreign exchange difference	(26,932)	232
Cash and cash equivalents at period end	1,797,634	382,321

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

1. CORPORATE INFORMATION

General

Credit Europe Bank N.V. (CEB NV), which was established in 1994 as “Finansbank (Holland) N.V.”, is the parent company of Credit Europe Bank N.V. consolidated group of companies (referred to as ‘the Bank’) and is domiciled in Amsterdam, The Netherlands. The consolidated financial statements of the Bank for the year ended December 31, 2008 incorporate figures of the parent and its controlled entities.

The Bank was founded as a specialized trade finance bank with an aim to actively participate in the wholesale financing of international trade. In later years, the Bank started retail banking activities including saving accounts, mortgage loans, consumer loans and credit cards.

As of January 30, 2009, %98 of the outstanding shares of Credit Europe Leasing LLC have been transferred to the Bank as a capital contribution by the group.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing an opening International Financial Reporting Standards (IFRS) balance sheet at January 1, 2005 for the purposes of the transition to IFRS, as adopted by European Union (EU).

The consolidated financial statements of the Credit Europe Bank N.V. as at and for the year ended 31 December 2008 are available upon request from the Company’s registered office at Karspeldreef 6A, 1101 CJ Amsterdam, or at www.crediteurope.nl.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Statement of Compliance

The condensed interim consolidated financial statements of CEB NV and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards (‘IFRS’), as adopted by the EU, and have been approved by the Board of Directors at 28 August 2009.

2) Basis of Measurement

The Bank’s condensed interim condensed financial statements as of June 30, 2009, have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

Except as described below, the accounting policies applied by Credit Europe Bank N.V. in these condensed interim financial statements are the same as those applied by the Credit Europe Bank N.V. in its consolidated financial statements as at and for the year ended 31 December 2008.

The financial statements are prepared on the historical cost basis, except for available-for-sale investments, derivative financial instruments and financial assets and liabilities designated at fair value through profit and loss, that have been measured at fair value.

3) Change in accounting policy

In October 2008 the IASB issued Reclassification of Financial Assets (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures). The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets, other than those designated at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss (i.e., trading) category if they are no longer held for the purpose of being sold or repurchased in the near term, as follows:

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

If the financial asset would have met the definition of loans and receivables, if the financial asset had not been required to be classified as held for trading at initial recognition, then it may be reclassified if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity.

If the financial asset would not have met the definition of loans and receivables, then it may be reclassified out of the trading category only in 'rare circumstances'.

The amendment to IFRS 7 introduces additional disclosure requirements if an entity has reclassified financial assets in accordance with the amendment to IAS 39. The amendments are effective retrospectively from 1 July 2008.

Pursuant to these amendments, the Group reclassified in 2008 certain non-derivative financial assets out of trading and available for sale assets and into held to maturity investment securities. For details on the impact of these reclassifications, see note 5 and 6.

IFRS 8 Operating Segments introduced the "management approach" to segment reporting. IFRS 8, which became mandatory for the Bank's 2009 consolidated financial statements, required a change in the presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Bank's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share. For the operating segments, see note 3.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Bank's operating segments which the Bank assess performance and make resource allocation accordingly.

The Bank has 8 reportable segments, as described below, which are the Group's strategic areas of operation. The strategic areas offer banking and banking related products, and are managed separately because of the local and economic environment require different risk management and pricing strategies. For each of the strategic areas, the CFO reviews internal management reports on at least a monthly basis. The following summary describes the operation of each of the Bank's reportable segments:

- West Europe retail. Includes retail loans like consumer loans and fund entrusted from retail customers in Western Europe, like Germany, the Netherlands and Belgium.
- West Europe wholesale. Includes loans given to non-retail customers and the ones above the SME loan limits in the Netherlands, Germany, Belgium Malta and Switzerland,
- East Europe retail. Includes retail loans like consumer loans and fund entrusted from retail customers in Eastern Europe in Russia, Romania and Ukraine.
- Eastern Europe wholesale. Includes loans given to non-retail customers and the ones above the SME loan limits in Russia, Romania, Ukraine,
- Eastern Europe leasing. Includes leasing activities in Russia and Romania
- Eastern Europe SME. Includes loans to small and medium sized business sector in Russia, Romania and Ukraine
- Dubai Wholesale. Includes loans to corporate clients.

Measurement of segment assets and liabilities and segment income and results is based on the Bank's accounting policies. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit and loss since 1 January 2009.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)

June 30, 2009

	West Europe Retail	West Europe Wholesale	East Europe Retail	East Europe Wholesale	East Europe Leasing	East Europe SME	Dubai Wholesale	Other	Group
Interest income – external	45,882	312,554	116,078	65,732	12,723	17,893	7,438	-	578,300
interest income – other segments	8,892	98,344	8,010	5,426	1,649	-	-	-	122,321
Interest revenue	54,774	410,898	124,088	71,158	14,372	17,893	7,438	-	700,621
Interest expenses – external	(28,139)	(327,194)	(30,889)	(20,755)	(308)	(3,414)	(66)	-	(410,765)
interest expense – other segments	(18,667)	(44,263)	(24,693)	(23,223)	(8,657)	-	(2,818)	-	(122,321)
interest expense	(46,806)	(371,457)	(55,582)	(43,978)	(8,965)	(3,414)	(2,884)	-	(533,086)
Net commission income – external	(2,964)	9,877	8,460	5,609	29	2,281	142	-	23,434
Net commission income – other segments	(130)	(547)	301	376	-	-	-	-	-
Trading and Other Income	(879)	28,057	10,543	11,358	(309)	969	971	-	50,710
Credit loss charges	(3,167)	(17,241)	(41,842)	(8,193)	(4,939)	(8,135)	-	-	(83,517)
Depreciation and amortization expense	4	(1,476)	(3,860)	(1,658)	(108)	(910)	(104)	-	(8,112)
Other material non-cash items	(171)	-	-	-	23	-	-	-	(148)
Other operating expenses	(2,608)	(28,315)	(49,427)	(16,557)	(2,271)	(8,990)	(1,196)	-	(109,364)
Equity accounted earnings	-	-	-	-	-	-	-	-	-
Operating profit before taxes	(1,947)	29,796	(7,319)	18,115	(2,168)	(306)	4,367	-	40,538
Income tax expense	(688)	(8,657)	(17)	(2,929)	(590)	-	-	-	(12,881)
Profit for the year	(2,635)	21,139	(7,336)	15,186	(2,758)	(306)	4,367	-	27,657
<i>Other information at 30 June 2008</i>									
Total assets	747,333	6,714,126	1,081,183	1,417,507	235,716	196,705	274,305	-	10,666,875
Total liabilities	7,048,529	1,807,403	652,860	428,168	11,223	62,345	23,673	-	10,034,201
Equity accounted investees	-	-	-	-	-	-	-	442	442
Addition to non-current assets other than financial instruments, deferred tax assets, post employment benefit assets and rights under insurance contract	-	-	4	716	10	-	-	-	730

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)

June 30, 2008

	West Europe Retail	West Europe Wholesale	East Europe Retail	East Europe Wholesale	East Europe Leasing	East Europe SME	Dubai Wholesale	Other	Group
Interest income – external	21,987	255,348	121,137	74,896	11,008	17,612	-	-	501,988
interest income – other segments	4,531	46,019	1,709	2,696	203	-	-	-	55,158
Interest revenue	26,518	301,367	122,846	77,592	11,211	17,612	-	-	557,146
Interest expenses – external	(19,381)	(244,727)	(28,559)	(16,589)	-	(3,622)	-	-	(312,878)
interest expense – other segments	(639)	(8,256)	(20,952)	(17,444)	(7,867)	-	-	-	(55,158)
interest expense	(20,020)	(252,983)	(49,511)	(34,033)	(7,867)	(3,622)	-	-	(368,036)
Net commission income – external	(726)	16,199	8,684	5,915	79	2,896	-	-	33,047
Net commission income – other segments	(9)	(6)	-	51	(36)	-	-	-	-
Trading and Other Income	-	17,263	4,053	4,580	568	1,035	-	-	27,499
Credit loss charges	-	(796)	(29,446)	(2,461)	(308)	61	-	-	(32,950)
Depreciation and amortization expense	(40)	(1,274)	(4,155)	(1,146)	(93)	(909)	-	-	(7,617)
Other material non-cash items	(443)	-	-	-	-	-	-	-	(443)
Other operating expenses	(2,718)	(31,482)	(57,300)	(16,830)	(2,020)	(12,860)	-	-	(123,210)
Equity accounted earnings	-	-	-	-	-	-	-	-	-
Operating profit before taxes	2,562	48,288	(4,829)	33,668	1,534	4,213	-	-	85,436
Income tax expense	-	(12,898)	(1,432)	(6,255)	464	-	-	-	(20,121)
Profit for the year	2,562	35,390	(6,261)	27,413	1,998	4,213	-	-	65,315
<i>Other information at 31 December 2008</i>									
Total assets	492,366	5,024,968	1,688,637	1,743,788	235,925	228,444	126,649	-	9,540,777
Total liabilities	6,530,488	830,342	746,907	679,073	3,616	74,872	4,470	-	8,869,768
Equity accounted investees	-	-	-	-	-	-	-	125	125
Addition to non-current assets other than financial instruments, deferred tax assets, post employment benefit assets and rights under insurance contract	-	-	43	18,088	125	-	-	-	18,256

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

4. CASH AND BALANCES AT CENTRAL BANKS

This item includes cash on hand and deposits with central banks in countries in which the bank has a presence.

	June 30, 2009	December 31, 2008
Balances at central bank	1,753,221	1,915,832
Cash on hand	44,413	48,968
Total	1,797,634	1,964,800

Deposits at central banks include reserve deposits amounting to EUR 255,460 (2008: EUR 296,381) that represents the mandatory deposits and is not available in the Bank's day to day operations.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of June 30, 2009 and December 31, 2008, financial assets at fair value through profit or loss comprised the following:

	June 30, 2009	December 31, 2008
<i>Financial assets held for trading</i>		
Government bonds and T-Bills	961,221	129,416
Bank bonds	137,163	53,904
Trading loans	7,156	48,801
Corporate bonds	30,319	19,118
Equity Instruments – listed	527	369
Total	1,136,386(*)	251,608(*)

(*) EUR 1,117,683 (December 31, 2008: EUR 189,713) of the total is listed securities and EUR 18,703 (December 31, 2008: EUR 61,895) is non listed securities.

Gains and losses on changes in fair value of trading instruments are recognized in net trading income.

Reclassification out of trading assets

Pursuant to the amendments to IAS 39 and IFRS 7 (described in note 2 (3)) the Bank reclassified at 1 July 2008 certain trading assets to held-to-maturity investment securities. The Bank identified financial assets eligible under amendments, for which it had changed its intent such that it no longer held these financial assets for the purpose of selling in the short term. For trading assets identified for reclassification, the Bank determined that deterioration of financial markets during the third quarter constituted rare circumstances that permit reclassification out of the trading category.

The tables below sets out the financial assets reclassified and their carrying and fair values:

	01-Jul-08		31-Dec-08		30-Jun-09	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Trading assets reclassified to held-to-maturity securities	44,371	44,371	44,371	26,808	36,986	31,085
Trading assets reclassified to available-for-sale	3,833	3,833	3,833	2,900	3,775	3,657

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

6. FINANCIAL INVESTMENTS

	June 30, 2009	December 31, 2008
Available-for-sale financial investments	432,818	103,881
Held to maturity financial investments	426,905	282,839
Total	859,723	386,720

	June 30, 2009	December 31, 2008
<i>Available-for-sale portfolio</i>		
Bank bonds	173,708	25,685
Loans	131,871	57,870
Corporate bonds	109,426	18,090
Other investments	11,353	-
Government bonds and T-Bills	6,452	2,228
Equities-listed bonds	8	8
Total	432,818	103,881(*)

(*) EUR 233,563 (December 31, 2008: EUR 35,394) of the total is listed securities and EUR 199,255 (December 31, 2008: EUR 68,487) is non listed loans.

	June 30, 2009	December 31, 2008
<i>Held to maturity portfolio</i>		
Bank bonds	286,203	196,868
Corporate bonds	68,663	48,358
Government bonds and treasury bills	72,039	37,613
Total	426,905	282,839

As of June 30, 2009, EUR 8,081 of the total is pledged or resold (December 31, 2008: none).

The movement in investment securities summarized as follows:

	<i>available-for- sale</i>	<i>held-to- maturity</i>
As at January 1, 2009	103,881	282,839
Exchange differences and monetary loss on monetary assets	(1,023)	(4,917)
Additions	374,782	225,907
Disposals (sale and redemption)	(47,940)	(71,112)
Reclassification to held to maturity portfolio	-	-
Impairment losses	(1,234)	(6,078)
Gains / (losses) from changes in fair value	4,352	266
As at June 30, 2009	432,818	426,905

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
 (Unless otherwise stated all amounts are in thousand Euros)

	<i>available-for-sale</i>	<i>held-to-maturity</i>
At January 1, 2008	183,109	3,573
Exchange differences and monetary loss on monetary assets	(9,673)	(198)
Additions	94,951	289,325
Disposals (sale and redemption)	(103,827)	(9,861)
Reclassification to held to maturity portfolio	(55,554)	
Impairment losses	(1,013)	-
Gains / (losses) from changes in fair value	(4,112)	-
At December 31, 2008	103,881	282,839

The carrying amount of the held to maturity portfolio as of June 30, 2009 is EUR 426,905 (December 31, 2008: EUR 282,839) and its fair value amount is EUR 411,686 (December 31, 2008: EUR 215,368).

Reclassification out of available-for-sale investment securities

Pursuant to the amendments to IAS 39 and IFRS 7 (described in note 2 and 3), the Bank reclassified at 1 July 2008 certain available-for-sale investment securities to held-to-maturity investment securities. The Bank identified financial assets for which at October 21, 2008 it had intention and ability to hold them for foreseeable future or until maturity.

The table below sets out the financial assets reclassified and their carrying and fair values:

	01-Jul-08		31-Dec-08		30-Jun-09	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Available-for-sale investment securities reclassified to held-to-maturity securities	55,554	55,554	55,354	34,307	49,574	39,303

7. LOANS AND RECEIVABLES – BANKS

	June 30, 2009	December 31, 2008
Placement with other banks	715,554	810,371
Loans and advances	166,852	119,424
Other	91,261	28,138
Subtotal	973,667	957,933
Allowances for impairment (-)	(11,409)	(5,001)
Total	962,258	952,932

Placement with other banks include EUR 212,882 related to the receivables with regard to securities which have been acquired in reverse repo transactions (December 31, 2008 : None.).

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)

8. LOANS AND RECEIVABLES – CUSTOMERS

	June 30, 2009	December 31, 2008
Commercial	3,459,621	3,277,021
Consumer	1,684,771	1,806,312
Finance lease receivables, net	209,547	226,868
Credit cards	180,091	169,732
Private customers	69,203	48,891
Public sector	1,406	659
Subtotal	5,604,639	5,529,483
Allowances for impairment (-)	(200,570)	(159,762)
Total	5,404,069 (*)	5,369,721 (*)

(*) None of these loans are subordinated.

Loans to customers do not include any amount related to the receivables with regard to securities which have been acquired in reverse repo transactions (December 31, 2008 : None.).

9. LOAN IMPAIRMENT CHARGES AND ALLOWANCES

	June 30, 2009	December 31, 2008
Balance at the beginning	164,763	76,844
New impairment allowances	108,006	161,484
Reversal of impairment allowances no longer required	(30,777)	(13,408)
Currency translation differences	(5,776)	(19,051)
Amounts written off	(23,213)	(40,985)
Recoveries of amounts previously written off (-)	(1,024)	(121)
Other credit related charges	-	-
Reserve for unearned interest accrued on impaired loans	-	-
Balance at the end	211,979	164,763
Consumer loans	75,511	83,275
Commercial loans	97,140	59,063
Credit cards	17,603	12,383
Loans to banks	11,409	5,001
Private customers	4,708	3,517
Finance lease receivables	5,608	1,524
Other	-	-
Total	211,979	164,763

Credit loss charges in profit and loss statements

	2009	2008
New impairment allowances	108,006	33,928
Reversal of impairment allowances no longer required	(30,777)	(1,671)
Recoveries of amounts previously written off (-)	(1,024)	(345)
Other credit related charges	-	1,038
Credit loss charge	76,204 (*)	32,950

(*) EUR 7,312 (30 June 2008: none) of the credit loss charges in profit and loss statement is related with the financial investments in available for sale and held to maturity.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)

Individually assessed allowances for impairment

	2009	2008
Balance at January 1	59,723	17,777
New impairment allowances	41,946	64,210
Reversal of impairment allowances no longer required	(17,278)	(7,398)
Currency translation differences	(987)	(3,332)
Amounts written off	(1,766)	(11,534)
Recoveries of amounts previously written off (-)	(903)	-
Balance at December 31	80,735	59,723

Collectively assessed allowances for impairment

	2009	2008
Balance at January 1	105,040	59,067
New impairment allowances	66,059	97,274
Reversal of impairment allowances no longer required	(13,499)	(6,010)
Currency translation differences	(4,788)	(15,719)
Amounts written off	(21,447)	(29,451)
Recoveries of amounts previously written off (-)	(121)	(121)
Balance at December 31	131,244	105,040

10. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Bank enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps, futures, credit default swaps and options.

The table below shows the fair values of derivative financial instruments, recorded as assets and liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk.

	June 30, 2009			December 31, 2008		
	Notional Amounts	Fair Values		Notional Amounts	Fair Values	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
<i>Interest rate derivatives-OTC</i>						
Swaps	185,457	3,691	1,496	514,976	-	13,674
Credit default swaps (protection purchased)	18,636	-	87	7,185	-	54
Credit default swaps (protection sale)	(112,141)	3,122	742	(113,889)	2,476	4,164
Options (purchased)	-	-	-	-	-	-
Options (sold)	-	-	-	-	-	-
Subtotal	91,952	6,813	2,325	408,272	2,476	17,892

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
 (Unless otherwise stated all amounts are in thousand Euros)

Exchange

<i>Futures</i>	(826,300)	-	10,414	-	-	-
Options (purchased)	3,450,000	-	111	-	-	-
Options (sold)	(3,500,000)	-	(165)	-	-	-
Subtotal	(876,300)		10,360	-	-	-

Currency derivatives-OTC

Swaps	7,482,776	192,723	131,621	4,626,727	261,379	151,969
Forwards	1,449,761	75,485	51,576	1,554,541	20,400	23,779
Futures	-	-	-	62,175	992	1,072
Options (purchased)	4,020,760	30,643	-	6,347,533	114,598	-
Options (sold)	(4,069,960)	-	30,177	(6,363,938)	-	114,535
Subtotal	8,883,337	298,851	213,374	6,227,038	397,369	291,355

Other derivatives

Equity options (purchased)	489,659	12,076	-	1,474,239	25,229	-
Equity options (sold)	(489,659)	-	12,075	(1,474,239)	-	25,228
Subtotal	-	12,076	12,075	-	25,229	25,228

Total Derivatives	8,098,989	317,740	238,134	6,635,310	425,074	334,475
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Derivatives held for risk management

Net investment hedges

The Bank uses forwards and swaps to hedge the foreign currency translation risk on its net investment in foreign subsidiaries.

The fair value of derivatives designated as net investment hedges are as follows:

	Assets	Liabilities	Assets	Liabilities
	June 30, 2009		December 31, 2008	
Instrument type:				
Foreign exchange forwards and swaps	3,274	(1,962)	29,065	-

11. ASSETS HELD FOR SALE

As at June 2009, the disposal group comprised assets of EUR 9,983 detailed as follows;

	June 30, 2009	December 31, 2008
Property, plant and equipment	9,983	-
Total	9,983	-

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

12. OTHER ASSETS

	June 30, 2009	December 31, 2008
Prepayments and advance payments to suppliers	18,460	38,260
Other receivables	12,264	8,870
Deferred tax assets	11,669	12,591
Current tax assets	9,411	6,682
POS, debit card and credit card related receivables	3,952	2,178
Amounts held as guarantee	1,443	1,827
Stationary and office supplies	1,428	2,640
ATM settlements	1,824	1,501
Deferred merchant fees paid	3,271	1,382
VAT receivables	2,505	530
Other assets	7,871	5,929
Total	74,098	82,390

13. DUE TO BANKS

This item is comprised of amounts due to banking institutions.

	June 30, 2009	December 31, 2008
Time deposits	819,394	570,935
Syndication loan	250,995	486,489
Current accounts	54,745	172,001
Total	1,125,134	1,229,425

14. DUE TO CUSTOMERS

This item comprises amounts due to non-banking customers.

	June 30, 2009	December 31, 2008
Consumer deposits	4,368,693	3,344,038
Saving accounts	2,875,130	2,383,992
Corporate deposits	605,811	462,014
Current accounts	354,935	611,908
Total	8,204,569	6,801,952

As of June 30, 2009, the Bank maintained customer deposit balances of EUR 279,568 (December 31, 2008: EUR 276,691) which were blocked by the Bank as collateral for loans and off-balance sheet credit instruments granted by the Bank.

As of June 30, 2009, EUR 2,350,425 (December 31, 2008: EUR 1,014,699) of deposits from customers are expected to be settled more than twelve months after the balance sheet date.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

15. ISSUED DEBT SECURITIES AND OTHER BORROWED FUNDS

Issued debt securities and other borrowed funds as of June 30, 2009:

Principal amount	Original Currency	Interest rate	Opening date	Maturity date	Effective Interest Rate	Amount
176,9 (*)	USD	7.50%	April 13, 2007	April 13, 2010	8.02%	109,614
91,2(**)	RUB	9.00%	June 24, 2008	June 28, 2011	9.16%	3,363
						112,977

Issued debt securities and other borrowed funds as of December 31, 2008:

Principal amount	Original Currency	Interest rate	Opening date	Maturity date	Effective Interest Rate	Amount
180,9 (*)	USD	7.50%	April 13, 2007	April 13, 2010	7.80%	132,864
114,3(**)	RUB	9.00%	June 24, 2008	June 28, 2011	8.90%	2,656
0,1	RON	8.24%		Up to one year	8.24%	37
0,02	USD	6.00%		Up to one year	6.00%	12
						135,569

(*)These amount to USD 250 million participation notes are listed on the London Stock Exchange.

(**)These amount to RUR 4,000 million participation notes are listed on the MICEX (Moscow Interbank Currency Stock Exchange).

The Bank has not had any defaults of principal, interest or other breaches with respect to its debt securities during 2009 and 2008.

16. OTHER LIABILITIES

	June 30, 2009	December 31, 2008
Deferred payment liability under letters of credit (*)	49,910	24,887
Deferred tax liabilities	23,783	28,947
Accrued expenses	20,126	19,537
Other payables	14,830	14,085
Current tax liabilities	4,986	10,611
Advances from customers	631	29,968
Other liabilities	10,834	7,485
Total	125,100	135,520

(*) This liability relates to deferred payments in relation to contractual agreements as set in letters of credits provided to or received from customers.

17. SUBORDINATED LIABILITIES

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of, respectively, Credit Europe Bank N.V and other Bank companies. These liabilities qualify as capital, taking into account remaining maturities, for the purpose of determining the consolidated capital adequacy ratio for the Dutch Central Bank.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

The following table analyses the subordinated liabilities:

Issuer	Principal amount (millions)	Original Currency	Opening date	Maturity date	June	December
					30,2009	31, 2008
					Amount	Amount
Fiba Holding A.S.	125,8 (1) (2)	EUR	April 26, 2007	October 26, 2017	89,508	90,947
JP Morgan Chase Bank NY	60 (3)	EUR	September 1, 2005	September 1, 2015	60,008	60,168
Credit Europe Group N.V.	21	USD	September 28, 2007	September 28, 2017	14,860	14,631
Credit Europe Group N.V.	20 (4)	USD	October 30, 2008	October 30, 2018	14,296	14,609
Credit Europe Group N.V.	33,7 (5)	USD	September 30, 2008	September 30, 2018	23,873	25,193
Credit Europe Group N.V.	33,7 (5)	USD	October 2, 2008	October 2, 2018	24,242	25,531
					226,787	231,079

(1) The decision to convert the bond from EUR 100 million to USD 125,8 million was agreed as of November 12, 2008.

(2) Interest rate is Euribor plus 2.50 % per annum until October 2012 and Euribor plus 3.00 % per annum thereafter. Early redemption is allowed in October 2012.

(3) The subordinated bond is listed on the Luxembourg stock exchange. Interest will be payable quarterly in arrears. Interest rate is Euribor plus 3.00 % per annum until September 2010 and Euribor plus 3.50 % per annum thereafter. Early redemption is allowed in September 2010.

(4) Interest rate is Libor plus 5 % per annum until October 2013 and Libor plus 5.5 % per annum thereafter.

(5) Interest rate is Libor plus 5 % per annum until October 2013 and Libor plus 5.5 % per annum thereafter. The decision to convert the loans of EUR 25 million each to USD 33,7 million was agreed as of April 2, 2009.

The Bank has not had any defaults of principal, interest or other breaches with respect to its subordinated liabilities during 2009 and 2008.

18. SHARE CAPITAL

As of June 30, 2009 the authorized share capital is EUR 1,000 million (December 31, 2008: EUR 1,000 million) and consist of 1,000 million (December 31, 2008: EUR 1,000 million) ordinary shares with a face value of EUR 1. The called up and paid-in capital is consisting of 399,5 million (December 31, 2008: 399,5million) ordinary shares with a face value of EUR 1.

19. SECURITISATIONS

The Bank has transferred part of its Germany and Belgium generated retail loans and advances to the Credit Europe Bank Consumer Finance S.A. The Bank has retained substantially all of the credit risk associated with the transferred assets. The information below sets out the extent of such transfers to the Bank's retained interest in transferred assets.

Transferred assets

	June 30, 2009	December 31, 2008
Credit Europe Bank Consumer Finance S.A	203,266	202,399
Total	203,266	202,399

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As of June 30, 2009

(Unless otherwise stated all amounts are in thousand Euros)

20. NET INTEREST INCOME

	June 30, 2009	June 30, 2008
Interest income from:		
Loans and receivables- customers	265,109	313,682
Derivative financial instruments	180,645	113,728
Loans and receivables- banks	86,211	53,781
Financial investments	21,984	5,183
Leasing	9,958	281
Financial assets held for trading	9,062	11,397
Cash and balances at central banks	5,331	3,936
Subtotal	578,300	501,988
Interest expense from:		
Derivative financial instruments	178,437	124,356
Due to customers	145,188	119,422
Due to banks	70,567	49,573
Issued debt securities	11,336	16,778
Subordinated liabilities	5,237	909
Other	-	1,840
Subtotal	410,765	312,878
Total	167,535	189,110

21. NET FEE AND COMMISSION INCOME

	June 30, 2009	June 30, 2008
Fee and commission income		
Payment and transaction services fees	5,754	9,158
Cash loan	4,901	4,313
Credit cards	4,670	3,968
Commission on account maintenance	3,682	3,414
Letter of credits	2,999	5,796
Insurance related commissions	2,782	3,443
Letter of guarantees	2,264	1,832
Foreign exchange transactions	1,926	3,613
Cash withdrawal fees	1,518	1,991
Early redemption fees	895	1,322
Fees from retailers	802	765
Commissions on fiduciary transactions	765	1,572
Commissions for fund transfer	599	790
Other	4,033	3,635
Subtotal	37,590	45,612
Fee and commission expense		
Commission paid to intermediaries/retailers	7,804	6,797
Payment and transaction services expense	2,555	2,675
Insurance related fees	1,617	558
Credit card fees	1,141	1,032
Documentary services fee	170	126
Account maintenance fees	116	41
Other fee and commission expenses	753	1,336
Subtotal	14,156	12,565
Total	23,434	33,047

Credit Europe Bank N.V.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)****22. NET TRADING INCOME / (EXPENSE)**

	June 30, 2009	June 30, 2008
Derivatives	23,621	(26,625)
Securities	14,688	1,138
Trading loans	4,577	1,110
Foreign exchange gain	143	45,657
Total	43,029	21,280

23. PERSONNEL EXPENSES

	June 30, 2009	June 30, 2008
Wages and salaries expenses	48,361	61,764
Social security and federal budget payments	7,931	9,978
Retirement benefit costs	2,651	2,693
Other employee costs	2,751	2,970
Total	61,694	77,405

Average number of employees

Banking activities Netherlands	315	294
Banking activities foreign countries	5,107	7,042

24. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2009	June 30, 2008
Rent and maintenance expenses	18,837	16,700
Communication and information expenses	6,520	6,213
Taxes other than income	3,927	3,227
Consultancy expenses	2,634	2,565
Professional fees	2,210	926
Stationary, office supplies and printing expense	2,113	2,518
Advertising and marketing expenses	1,862	3,485
Security expenses	1,710	2,113
Travel and transport expenses	1,282	1,621
Information technology expenses	1,266	1,133
Insurance premiums	676	525
Other expenses	3,063	4,327
Total	46,100	45,353

25. TAXATION

The Bank recognizes the current and deferred tax consequences of transactions that have been included in the interim consolidated financial statements using the provisions of the respective jurisdictions' tax laws. Current and deferred taxes are charged or credited to equity if the tax relates to items that are charged or credited directly to equity.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating loss carry-forwards and tax credits. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period that the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The Bank's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2009 was 25,5 %, like as per 31 December 2008.

26. EARNINGS PER SHARE

The calculations for basic and diluted earnings per share are presented in the following table.

	June 30, 2009	December 31, 2008
Profit for the year attributable to shareholders of the parent company	27,295	72,173
Weighted average number of ordinary shares outstanding	399,500	368,610
Diluted number of ordinary shares	399,500	368,610
Basic earnings per ordinary share	0.0683	0.1958
Fully diluted earnings per ordinary share from continuing operations	0.0683	0.1958

27. FAIR VALUE INFORMATION

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

The estimated fair values of financial instruments have been determined using available market information by the Bank, and where it exists, appropriate valuation methodologies. However, judgement is necessary required to interpret market data to determine the estimated fair value.

The Bank measures fair values using the following hierarchy of method.

- Quoted market price in an active market for an identical instrument.
- Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data

The following table compares the carrying amount of financial assets and liabilities measured at cost to estimated fair values:

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

	June 30, 2009			December 31, 2008		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Financial assets						
Interest earning securities – held-to-maturity	426,905	411,686	(15,219)	282,839	215,368	(67,471)
Loans and receivables – banks	962,258	961,205	(1,053)	952,932	952,644	(288)
Loans and receivables – customers	5,404,069	5,370,606	(33,463)	5,369,721	5,306,475	(63,246)
Total	6,793,232	6,743,497	(49,735)	6,605,492	6,474,487	(131,005)
Financial liabilities						
Due to banks	1,125,134	1,123,764	1,370	1,229,425	1,215,706	13,719
Due to customers	8,204,569	8,200,924	3,645	6,801,952	6,784,599	17,353
Issued debt securities and other funds borrowed	112,977	110,041	2,936	135,569	121,941	13,628
Subordinated liabilities	226,787	227,482	(695)	231,079	198,165	32,914
Total	9,669,467	9,662,211	7,256	8,398,025	8,320,411	77,614

The principal methods and assumptions used by the Bank, in determining the fair value of financial instruments are:

- Fair values for trading and investment securities are determined using market prices from active markets. If no quoted prices are available from an active market, the fair value is determined using discounted cash flow models. Discount factors are based on the swap curve plus a spread reflecting the characteristics of the instrument.
- Fair values for derivative financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models. Discount factors are based on the swap curve plus a spread reflecting the characteristics of the instrument.
- Fair values for loans and deposits are determined using discounted cash flow models based upon CEB N.V. current incremental lending rates for similar type loans. For variable-rate loans that reprice frequently and have no significant change in credit risk, fair values are approximated by the carrying amount. Option pricing models are used for valuing caps and prepayment options embedded in loans.
- Off-balance sheet commitments or guarantees are fair valued based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standings.

The carrying amounts are considered to approximate fair values for other financial assets and liabilities, such as short-term payables and receivables

28. COMMITMENTS AND CONTINGENCIES

To meet the financial needs of customers the Bank issues various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognized on the balance sheet, they do contain credit risk and are therefore part of the overall risk of the Bank. In many instances the amount recognized on the balance sheet for incurred obligation does not represent the loss potential of the arrangement in full.

Letters of credit, guarantees and acceptances commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. Guarantees carry the same credit risk as loans. Credit guarantees can be in the form of bills of exchange or in the form of irrevocable letters of credit, advance payment guarantees, and endorsement liabilities from bills rediscounted.

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiration dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements. With respect to credit risk on commitments to extend the credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

However, the likely amount of loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

	June 30, 2009	December 31, 2008
Contingent liabilities with respect to letter of guarantees granted- non-bank	206,137	248,833
Contingent liabilities with respect to irrevocable letters of credit – import	131,668	162,978
Contingent liabilities with respect to letter of guarantees granted- banks	33,076	21,830
Contingent liabilities with respect to irrevocable letters of credit - export	27,500	28,580
Contingent liabilities with respect to acceptance credits	33,703	12,713
Contingent liabilities with respect other guarantees	1,134	1,550
Total non-cash loans	433,218	476,484
Credit card limits	103,277	112,192
Other commitments	572,305	828,426
Total	1,108,800	1,417,102

29. RELATED PARTIES

The Bank's ultimate parent company is FIBA Holding A.S. a Turkish joint stock company, which is ultimately controlled by a single individual, Mr. Hüsnü Özyegin. All amounts stated in the table below relate to Bank companies controlled by Mr. Hüsnü Özyegin.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making the financial and operating decisions. The Bank enters into transactions with its parent company and other subsidiaries of the Bank's ultimate parent company, directors and senior management in the ordinary course of business at commercial interest and commission rates. All the loans and advances to related parties are performing advances and are free of any provision for possible credit losses. The comparative balances in respect of related parties included in the financial statements are as follows:

	June 30, 2009	December 31, 2008
Assets		
Loans and receivables – customers	107,670	207,344
Derivative	70	-
Other assets	-	16
Liabilities		
Due to customers	254,709	267,489
Derivative financial instruments	2,347	-
Other liabilities	1,460	7,588
Subordinated liabilities	166,780	130,885
Commitment and Contingencies	1,560	5,288

The income and expenses in respect of related parties included in the financial statements are as follows:

	June 30, 2009	June 30, 2008
Interest income	27,228	3,505
Interest expense	(370)	(11,650)
Commission income	1,658	1,208
Net trading income	(16,843)	(108,086)
Other operating income	9	42

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)**

30. RISK MANAGEMENT

The Bank has further strengthened its group risk management function in 2009 with additional expertise, clearer reporting lines, which has enabled a centralized measuring, monitoring and controlling of risks at the Bank and other organizational levels. The division has sub-functions, such as Credit Risk, Market Risk and Treasury Risk Control, Quantitative Analysis and Operational Risk, and Capital Management.

The risk consolidation is conducted by the Group Risk Management Department (GRMD) which is responsible for measurement and monitoring of risks at consolidated level.

The GRMD operates under the supervision of Chief Credit and Risk Officer (CCRO) and CFO, which are the members of Group Risk Management Committee (GRMC)

The CCRO is responsible for handling credit, operational and legal risks framework. This includes approving and implementation of related policies and procedures at the Bank level, conducting control over credit decision process, monitoring of the rating models.

Market and liquidity risks, as well as capital planning process including capital adequacy reporting is under responsibilities of CFO.

The consolidated credit risk related reports are conducted on a monthly basis and contains detailed analysis of the portfolio structure, asset impairments and concentration risks. The consolidated market risk and liquidity gap reports are prepared on a monthly basis, except of VaR and liquidity positions which are reported to Managing Board on a daily basis.

Capital Management

The Bank's approach to capital management is driven by its business plan/strategy and overall risk appetite taking into account the regulatory and business environments in which it operates.

The Bank's policy is to maintain at all times a strong capital base that will enable it to:

- comply with the requirements set by the regulators of the markets where the Bank operates;
- safeguard its ability to continue as a going concern so that it can continue to provide returns for its shareholders and benefits for other stakeholders; and
- support the development of its business.

Starting from January 2008 the Bank operates under Basel II framework, which is based on three Pillars.

Under Pillar I the Bank calculates minimum capital requirements according to Standardized Approach. The capital requirements specify a minimum level of capital base that should be kept by the bank at all times against the level of risk it faces.

Besides the risks covered by Pillar I, the Bank conducts regular assessment and monitoring of other material risks. This is done within the internal capital adequacy assessment process which principles and results are laid down in the Bank's ICAAP document. The Bank complies itself to review ICAAP annually and adjust the approach towards material risks if needed.

According to its capital management strategy the Bank aims to ensure that it has sufficient capital base to cover both Pillar I and Pillar II risks.

The Bank published its Pillar III Report on its web site (www.crediteurope.nl), which is meant to improve market participants' ability to assess the Bank's capital structure, risk exposures, risk management processes, and, hence, its overall capital adequacy.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)**

Risk Strategy

The Bank's risk strategy sets out what types and to what extent the risks should be taken in order for the Bank to achieve its business targets. It also states how the risks are controlled, monitored and mitigated. This is done through established organizational structure, monitoring processes and framework of principles incorporated into the number of the Bank's policies and procedures.

Within the different types of risks which the Bank is exposed to due to its business activities the most material are credit risk (incl. concentration risk), market risk, liquidity risk, interest rate risk and operational risk. As non-material risks the Bank identifies settlement risk, pension risk, reputation and residual risks.

Credit Risk

Credit risk is defined as the current or prospective threat to the Bank's earnings and capital as a result of counterparty's failure to comply with financial or other contractual obligations.

Credit risk constitutes the most significant risk of the Bank and arises mainly from its trade-finance, lending, treasury, mortgage and leasing businesses.

Credit risk is managed by following tools and principles:

Risk Mitigation

Corporate credit risk is subject to both capital allocation as well as risk limits for mitigation purposes. These limits start at the borrower limit and then evolve into portfolio level concentration limits. The Bank actively uses collateral management as risk management and mitigation tool. Credit limits are extended as secured and unsecured. Secured lines are against cash and equivalent types of collaterals and unsecured lines are against all other types of collaterals, like for example all kind of mortgages, equipment, personal guarantees and leased assets that are specifically stated on the credit approval form. Secured collaterals are managed and followed-up in processes fully supported by the Bank's corporate system by means of collateral-transaction linkages, blocked accounts and system checking of collateralization. Transactions and Collateral Management Department is organized as a separate department for collateral management functioning for all types of lending. Especially transactional lending is a lending type that is run through on collaterals and documentation. Valuation reports, survey report updates, insurance policies management are followed up systematically. Mainly related to trade finance, outsourcing is also utilized by Collateral Management Agreements and Collateral Monitoring Agreements with expert collateral management agents who have the management and reporting capabilities on the site of the collateral. As a principle, value of the collateral should not have a material positive correlation with the credit quality of the provider for the risk mitigation effect to be considered.

Concentration Limits

In order to manage the concentration risk in its loan portfolio, the Bank has established maximum concentration limits covering country, single name and industry concentration.

Credit Ratings

In the course of 2008 the Bank introduced its new 12 grade corporate rating scale across the Bank. Enhancements made in 2008 regarding the internal rating systems can be seen as a milestone for further improvement for the Bank credit risk management capabilities. However, limited credit history was imposing a big challenge for quantification and validation of risk parameters up to date, continuing efforts and dedication in 2009 will enable the Bank to make more robust estimations of the risk parameters and to take a big step towards its destination of a full economic capital model. During this journey, transition to Internal Ratings Based Approach will likely be a natural stop where regulatory and economic capital requirements will converge to each other.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Stress-testing

The Bank puts stress-testing and capital planning at the centre of its internal capital assessment process. These tools help the Bank identify the potential threats to its business plan and capital adequacy. The Bank stress testing methodology aims to avoid both the negligence of and the over-reliance on the internal data. It is considered that creating scenarios based on hypothetical assumptions are more appropriate since scenarios based solely on internal data may fail to capture tail loss events and systematic risk factors. The fact that Bank has a limited credit data history supports this approach. However, using internal data to define current risk characteristics of the portfolio, the scenarios are built on is seen as the fundamental part of our stress testing approach.

The Bank credit risk stress tests shock both default and recovery related risk parameters. Moreover, risk concentrations in the portfolio are more harshly shocked even without a relevant negative outlook. The Bank stress testing methodology does not aim to make accurate forecasts of the downturns but instead it aims to capture the tail loss by simulating the unexpected and the undesirable. From this point of view, the Bank stress testing approach is more closely aligned with hypothetical than historical.

Credit Exposure

Maximum credit risk exposure

The Bank identifies its maximum credit exposure as all transactions where losses might occur due to the fact that the counterparty may not fulfill its contractual obligations. The maximum credit exposure presented in the table below is comprised of on an off balance sheet items and over-the-counter derivatives. All exposure is measured without taking into account any collateral and other credit enhancements.

Maximum credit risk exposure (net of impairment allowances)

	30/06/2009	31/12/2008
Balance Sheet Items		
Demand Deposits with Central Banks	1,753,221	1,915,832
Financial assets designated at fair value through profit or loss	1,136,386	251,608
Derivative financial instruments	317,740	425,074
Financial Investments	859,723	386,720
Loans and receivables – banks	962,258	952,932
Loans and receivables – customers	5,404,069	5,369,721
Total balance sheet	10,433,397	9,301,887
Off-Balance Sheet Items		
Issued Letters of Guarantee	240,347	272,213
Issued Irrevocable Letters of Credit	192,871	204,271
Other commitments and contingent liabilities	675,582	940,618
Total off-balance sheet	1,108,800	1,417,102
Total credit risk exposure	11,542,197	10,718,989

On balance sheet items are presented at their carrying amount net of impairment allowances. Derivative financial instruments are assessed at fair value of the incoming cash flows.

The off balance credit risk exposure is comprised of:

- letters of guarantee granted and letters of credit issued or confirmed: shown at the maximum amount that the Bank would have to pay if the guarantees or letters of credit are called upon;
- loan commitments and other contingent liabilities: the maximum exposure for these items is the full amount of the committed facilities.

Concentration of Credit Exposure

Concentration risk normally arises when number of counterparties operates in the same geographical region or within the same economic sector, and thus is affected in the same extent to the economic, political and other conditions.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

As can be seen in the following table the Bank monitors its credit risk exposure within the following exposure groups: corporate customers, banks and central governments, retail customers and SMEs.

Industry concentration (net of impairment allowances)

	30/06/2009			31/12/2008		
	on-balance sheet	off-balance sheet(*)	Total Exposure	% of total exposure	Total Exposure(*)	% of total exposure
Exposure to Central Governments and Financial Institutions						
Exposure to Central Governments and Central Banks	2,808,846	-	2,808,846	59%	2,084,881	55%
Exposure to Financial Institutions	1,902,822	48,332	1,951,154	41%	1,706,331	45%
Total Exposure to Central Governments and Financial Institutions	4,711,668	48,332	4,760,000	100%	3,791,212	100%
Exposure to Corporate clients & Private Banking						
Iron & Steel	459,812	73,292	533,104	13%	388,400	10%
Real Estate	506,311	9,197	515,508	13%	422,215	11%
Shipping & Shipyard	435,161	24,651	459,812	11%	483,567	13%
Construction & Installation	289,741	126,590	416,331	10%	460,378	12%
Tourism	209,763	10,189	219,952	5%	220,416	6%
Petrochemical, Plasticizers & Derivatives	153,638	33,294	186,932	5%	204,152	5%
Retail	152,219	17,726	169,945	4%	204,041	5%
Energy / Coal	131,662	10,401	142,063	4%	93,781	2%
Automotive & Derivatives	114,786	1,789	116,575	3%	111,565	3%
Holding	116,190	-	116,190	3%	48,893	1%
Services	113,499	234	113,733	3%	42,761	1%
Oil & Derivatives	84,088	25,353	109,441	3%	27,766	1%
Financial Service & Investment	101,304	5,245	106,549	3%	139,914	4%
Food-Beverage-Tobacco	100,762	5,778	106,540	3%	104,030	3%
Leasing	104,108	-	104,108	3%	132,407	4%
Transportation and Logistics	73,365	1,518	74,883	2%	94,944	3%
Textile-Clothing-Ready Made Wearing	55,937	14,120	70,057	2%	67,849	2%
Paper & Pulp	45,176	3,674	48,850	1%	23,011	1%
Telecommunications	44,352	-	44,352	1%	22,561	1%
Media & Publishing	42,760	286	43,046	1%	40,071	1%
Soft Commodities & Agricultural Products	40,431	92	40,523	1%	29,422	1%
Electronic Equipment	31,878	2,987	34,865	1%	27,459	1%
Machinery-Office & Optical Equipment	24,868	3,516	28,384	1%	28,206	1%
Fertilizers	16,135	75	16,210	0%	24,406	1%
Factoring	12,043	-	12,043	0%	43,568	1%
International Trade	7,042	3,000	10,042	0%	20,297	1%
Other	194,800	8,978	203,778	5%	252,235	7%
Total Exposure to Corporate clients & Private Banking	3,661,831	381,985	4,043,816	100%	3,758,315	100%
Exposure to Retail Customers	1,118,082	0	1,118,082	54%	1,246,349	56%
Exposure Secured by Residential Real Estate	638,184	-	638,184	31%	640,047	29%
Exposure to SME	303,632	2,901	306,533	15%	342,448	15%
Total Exposure to Retail Customers and SMEs	2,059,898	2,901	2,062,799	100%	2,228,844	100%
Total credit risk exposure	10,433,397	433,218	10,866,615	100%	9,778,371	100%

* Loan commitments and other contingent liabilities amounting to EUR 675 ml. (2007: 941) (e.g. credit card limits) are excluded.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

The corporate exposure is broken down according to the internal sector definitions and consists mainly of loans and receivables to corporate customers (92%). The rest is distributed between debt instruments issued by corporate clients and derivative instruments held for trading (8%). The top five industries account to 53% of the total corporate portfolio, reflecting the main specialization arrears of the Bank where it possesses strong expertise and profound industry practice.

The following table provides the distribution of the Bank's total portfolio by risk country as of June 2009:

Country concentration (net of impairment allowances)

	30/06/2009						Total Exposure
	G10	Russia	Romania	Turkey	Ukraine	Other	
Balance Sheet Items							
Loans and receivables – banks	634,139	60,122	18,860	167,612	30,550	50,975	962,258
Loans and receivables – customers	697,502	1,204,097	1,612,391	1,361,594	115,489	412,996	5,404,069
Other credit risk exposure*	2,787,219	403,698	246,642	315,263	52,191	262,057	4,067,070
Total balance sheet	4,118,860	1,667,917	1,877,893	1,844,469	198,230	726,028	10,433,397
Off-Balance Sheet Items							
Issued Letters of Guarantee	49,876	43,299	51,161	46,711	25,043	24,257	240,347
Issued Irrevocable Letters of Credit	56,749	3,860	10,053	65,586	2,431	54,192	192,871
Total off-balance sheet**	106,625	47,159	61,214	112,297	27,474	78,449	433,218
Total credit risk exposure	4,225,485	1,715,076	1,939,107	1,956,766	225,704	804,477	10,866,615

The following table provides the distribution of the Bank's total portfolio by risk country as of December 2008:

	31/12/2008						Total Exposure
	G10	Russia	Romania	Turkey	Ukraine	Other	
Balance Sheet Items							
Loans and receivables – banks	563,200	86,819	11,309	104,733	95,144	91,727	952,932
Loans and receivables – customers	494,395	1,335,414	1,726,943	1,359,257	140,275	313,437	5,369,721
Other credit risk exposure*	2,000,481	394,176	270,683	193,967	55,881	64,046	2,979,234
Total balance sheet	3,058,076	1,816,409	2,008,935	1,657,957	291,300	469,210	9,301,887
Off-Balance Sheet Items							
Issued Letters of Guarantee	7,220	56,278	64,290	130,760	12,605	1,060	272,213
Issued Irrevocable Letters of Credit	19,685	8,841	21,352	88,472	41,460	24,461	204,271
Total off-balance sheet**	26,905	65,119	85,642	219,232	54,065	25,521	476,484
Total credit risk exposure	3,084,981	1,881,528	2,094,577	1,877,189	345,365	494,731	9,778,371

* Other credit risk exposure includes demand deposits with central banks, trading portfolio assets from treasury activities, trading portfolio assets from forfeiting activities, derivative financial instruments and financial investments.

** Loan commitments and other contingent liabilities (e.g. credit card limits) are excluded.

Collaterals and other credit enhancements

This is the Bank's policy to ensure that loan extension process is conducted under the strong evidence of customer's ability to repay the loan. Nevertheless collaterals are actively used for the purposes of credit risk mitigation.

The next table shows the carrying amount of collateralized exposure broken down by type of collateral obtained.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)

Collaterals and other credit enhancements obtained as of June 2009;

Collateral Type	30/06/2009					% of total exposure
	Central Government & Central Banks	Financial Institutions	Corporate clients, Private Banking & SME	Retail clients	Total	
Mortgage other than residential real estate	-	-	1,267,373	1,411	1,268,784	12%
Mortgage on residential real estate	-	-	203,417	638,767	842,184	8%
Surety	-	-	482,354	33,333	515,687	5%
Other	-	-	500,052	-	500,052	5%
Deposit	-	-	415,041	-	415,041	4%
Equipment	-	-	101,713	250,427	352,140	3%
Insurance from third party	-	-	2,475	316,579	319,054	3%
Commodity	-	-	317,820	-	317,820	3%
Securities	-	214,899	37,190	-	252,089	2%
Leased Assets	-	-	211,032	4,750	215,782	2%
Promissory note	-	-	157,819	-	157,819	1%
Receivables	-	-	65,370	-	65,370	1%
Letters of Guarantees	-	-	35,337	-	35,337	0%
Shares	-	-	24,116	-	24,116	0%
Pledge on Common Shares	-	-	-	-	-	0%
Collateralized exposure, gross	-	214,899	3,821,109	1,245,267	5,281,275	49%
Uncollateralized, gross	2,808,846	1,748,032	619,733	625,898	5,802,509	37%
Impairment Allowances (-)	-	(11,777)	(90,493)	(114,899)	(217,169)	(3%)
Net Exposure Total	2,808,846	1,951,154	4,350,349	1,756,266	10,866,615	100%

Collaterals and other credit enhancements obtained as of December 2008 ;

Collateral Type	31/12/2008					% of total exposure
	Central Government & Central Banks	Financial Institutions	Corporate clients, Private Banking & SME	Retail clients	Total	
Mortgage other than residential real estate	-	-	1,444,661	1,777	1,446,438	15%
Mortgage on residential real estate	-	-	113,117	640,047	753,164	8%
Equipment	-	-	129,613	322,532	452,145	5%
Personal guarantees	-	-	335,258	17,112	352,370	4%
Insurance from third party	-	-	1,825	331,213	333,038	3%
Promissory note	-	-	278,301	-	278,301	3%
Deposit	-	-	276,691	-	276,691	3%
Leased Assets	-	-	226,699	5,932	232,631	2%
Receivables	-	-	159,239	-	159,239	2%
Shares	-	-	108,122	-	108,122	1%
Letters of Guarantees	-	7,419	84,642	-	92,061	1%
Commodity	-	-	81,127	-	81,127	1%
Securities	-	-	11,593	-	11,593	0%
Other	-	-	11,013	-	11,013	0%
Collateralized exposure, gross	-	7,419	3,261,901	1,318,613	4,587,933	47%
Uncollateralized, gross	2,084,881	1,703,913	903,893	663,527	5,356,214	55%
Impairment Allowances (-)	-	(5,001)	(65,031)	(95,744)	(165,776)	(2%)
Net Exposure Total	2,084,881	1,706,331	4,100,763	1,886,396	9,778,371	100%

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

As of Jun 30, 2009 6.7 % of the Bank's credit risk exposure was covered by secured collaterals (December 31, 2008: 5.0%). This includes deposits, letters of guarantees, securities and shares. Significant part of the exposure is collateralized by mortgages – 19% (December 31,2008: 22%).

Impaired loans

Asset is treated as impaired if there is objective evidence that an impairment loss has been incurred. The Bank considers following events to be the main criteria of such objective evidence:

- The obligations on the loan (including repayments on principal, interest and other income) or excesses over an approved limit (e.g. overdraft), are 90 days past due, unless otherwise well secured in accordance with the eligibility criteria acceptable for the regulators.
- The Bank has put the credit obligation on non-accrued status.
- The Bank makes an immediate write-off or a specific provision due to a significant perceived decline in the credit quality of the obligor.
- The Bank consents to a distressed restructuring of the loan with material forgiveness or postponement of the principal, interest and/or other income, which results in a reduced financial obligation for the obligor.
- Significant financial difficulty of the obligor, seriously depressing its going concern status.
- The Bank has filed for the obligor's bankruptcy.
- The obligor has sought for or has been placed in bankruptcy protection or similar protection which is expected to delay or avoid repayment of the loan to the Bank.

The definitions and treatment of impaired loans is governed by the Bank's NPL Policy which is adopted group-wide.

Impairment assessment

The Bank aims to maintain sufficient level of reserves to cover its incurred losses. According to its policy the Bank differentiates between:

- allowances for individually assessed assets;
- allowances for the portfolio of collectively assessed assets for which there is an objective evidence of impairment and
- allowances for incurred but not reported losses, which are established for a portfolio of assets for which no objective evidence of impairment is observed as of reporting date, however, the Bank considers that there is a possibility that the impairment occurred but has not been identified as of reporting date.

In the course of 2008 the Bank has changed its provisioning methodology for collectively assessed assets. The new approach is based on the dynamic statistical model which analyses the Bank's default and recovery rates based on historical data. The same approach is implemented across the Bank's entities, with some adjustments due to specific conditions of local environment.

Credit quality of assets

		30/06/2009			31/12/2008	
	Gross assets	Impairment allowance (-)	Net assets	Gross assets	Impairment allowance (-)	Net assets
Neither past due, nor impaired	9,897,162	(19,712)	9,877,450	8,994,617	(20,590)	8,974,027
Past due but not impaired	414,880	(20,815)	394,065	290,892	(20,095)	270,797
Impaired assets, net of cash collateral	6,288	-	6,288	-	-	-
Impaired	335,109	(179,515)	155,594	182,154	(125,091)	57,063
Total assets	10,653,439	(220,042)	10,433,397	9,467,663	(165,776)	9,301,887
Impaired asset accounted in the Off-Balance Sheet	1,115	-	1,115	-	-	-
Total Impaired assets (incl. off-balance sheet)	342,512	(179,515)	162,997	182,154	(125,091)	57,063

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Impairment allowances for 'Neither past due, nor impaired' assets consist of provisions for incurred but not reported losses.

As of June 2009 impaired assets are mostly comprised of corporate exposure (44%), followed by the retail loans, including mortgages (42%), the rest is distributed between loans to small and medium enterprises (8%) and financial institutions (7%).

Next table provides the distribution of impaired and past due assets by risk country of the obligor.

Country distribution of impaired and past due assets as of June 2009;

	30/06/2009						Total Exposure
	G10	Russia	Romania	Turkey	Ukraine	Other	
Impaired assets, gross	24,157	123,294	82,582	50,397	22,183	39,898	342,511
Provisions for individually assessed impaired assets (-)	(5,763)	(14,152)	(13,575)	(19,389)	(11,387)	(23,791)	(88,057)
Provisions for collectively assessed impaired assets (-)	(11,768)	(60,258)	(19,381)	(50)	-	(0)	(91,457)
Impaired loans, net	6,626	48,884	49,626	30,958	10,796	16,107	162,997
	G10	Russia	Romania	Turkey	Ukraine	Other	Total Exposure
Past due but not impaired assets, gross	15,976	95,963	285,135	151	8,866	8,789	414,880
Provisions for individually assessed past due assets (-)	-	(134)	(21)	-	(179)	-	(334)
Provisions for collectively assessed past due assets (-)	(2,611)	(14,700)	(3,162)	(8)	-	(0)	(20,481)
Past due but not impaired assets, net	13,365	81,129	281,952	143	8,687	8,789	394,065

Country distribution of impaired and past due assets as of December 31, 2008

	31/12/2008						Total Exposure
	G10	Russia	Romania	Turkey	Ukraine	Other	
Impaired assets, gross	19,884	66,671	48,441	23,806	3,024	20,328	182,154
Provisions for individually assessed impaired assets (-)	(7,288)	(5,570)	(10,663)	(16,141)	(2,126)	(12,755)	(54,543)
Provisions for collectively assessed impaired assets (-)	(11,930)	(44,709)	(13,883)	(26)	-	-	(70,548)
Impaired loans, net	666	16,392	23,895	7,639	898	7,573	57,063
	G10	Russia	Romania	Turkey	Ukraine	Other	Total Exposure
Past due but not impaired assets, gross	13,279	74,722	188,413	1,283	10,809	2,386	290,892
Provisions for individually assessed past due assets (-)	-	(1,637)	-	-	-	-	(1,637)
Provisions for collectively assessed past due assets (-)	(1,575)	(14,453)	(2,139)	(7)	(284)	-	(18,458)
Past due but not impaired assets, net	11,704	58,632	186,274	1,276	10,525	2,386	270,797

The Bank monitors its past due but not impaired assets within the following past due buckets:

	30/06/2009			31/12/2008		
	Gross assets	Impairment allowance (-)	Net assets	Gross assets	Impairment allowance (-)	Net assets
less 30 days	267,407	(6,350)	261,057	220,624	(6,718)	213,906
from 31 to 60 days	99,953	(7,584)	92,369	41,799	(6,350)	35,449
from 61 to 90 days	47,520	(6,881)	40,639	28,469	(7,027)	21,442
Total past due but not impaired assets	414,880	(20,815)	394,065	290,892	(20,095)	270,797

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

The following table provides the analysis of the impaired and past due assets by fair value of collateral as of June 30, 2009:

Collateral Type	30/06/2009			Fair Value of Collateral
	Gross loans	Provisions (-)	Net loans	
Mortgage other than residential real estate	131,758	(26,803)	104,955	202,983
Leased Assets	124,545	(6,160)	118,385	145,387
Equipment	79,850	(34,937)	44,913	59,156
Mortgage on residential real estate	56,393	(4,658)	51,735	90,275
Insurance from third party	44,424	(8,092)	36,332	48,866
Surety	23,070	(7,645)	15,425	15,331
Promissory note	10,914	(77)	10,837	21,461
Deposit	9,577	(2,934)	6,643	6,773
Commodity	6,884	(1,382)	5,502	6,527
Shares	3,198	(2,405)	793	2,087
Receivables	1,171	(240)	931	5,546
Letters of Guarantees	414	(1)	413	1,130
No Collateral	265,194	(104,996)	160,198	-
Collateral Total	757,392	(200,330)	557,062	605,522

The following table provides the analysis of the impaired and past due assets by fair value of collateral as of December 31, 2008:

Collateral Type	31/12/2008			Fair Value of Collateral
	Gross loans	Provisions (-)	Net loans	
Leased Assets	101,709	(1,524)	100,185	131,622
Equipment	59,415	(24,795)	34,620	53,248
Mortgage other than residential real estate	55,096	(11,375)	43,721	142,694
Insurance from third party	40,433	(7,834)	32,599	63,700
Mortgage on residential real estate	39,367	(1,065)	38,302	64,782
Personal Guarantee	22,486	(8,254)	14,232	-
Promissory note	8,710	(5,535)	3,175	16,443
Shares	2,394	(2,394)	-	-
Commodity	1,196	(670)	526	1,043
Deposit	1,138	(27)	1,111	1,138
Receivables	839	-	839	839
Letters of Guarantees	320	(1)	319	562
No Collateral	139,943	(81,711)	58,232	-
Collateral Total	473,046	(145,185)	327,861	476,071

During the course of 1H 2008 the Bank did not obtain any assets by taking possession of collateral held as security against loans and advances (December 31, 2008: nil.)

The next table provides information on the total amount of loans restructured during the year.

Restructured loans

	30/06/2009	31/12/2008
Restructured loans, gross	179,947	93,898
Total provisions for restructured loans	(2,607)	(5,994)
Total restructured loans, net	177,338	87,904

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Credit quality of assets which are neither past due nor impaired

In table below is provided the distribution of neither past due nor impaired assets measured by the external rating provided to the counterparty of transaction by either Moody's, S&P or Fitch. The bank is using "second worse" approach, which means that the worse rating is applied to the exposure in case of multiple choice.

*Distribution of Financial Assets that are neither past Due nor impaired**

External Rating	30/06/2009	31/12/2008
Investment Grade	3,973,645	2,882,142
Non-Investment Grade	923,540	974,232
Unrated	3,232,168	3,391,290
Retail loans	1,748,096	1,726,363
Total	9,877,449	8,974,027

* The figures are provided net of impairment allowances for incurred but not reported losses.

The unrated exposure is mainly comprises of corporate customers. The credit quality of corporate customers is measured by twelve grade internal rating model.

Liquidity Risk

The Bank defines liquidity risk as the current or prospective risk to earnings and capital arising from an institution's inability to meet its liabilities when they come due. Liquidity risk arises from inability to manage unplanned decreases or changes in funding sources and the failure to recognize or address changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Bank monitors its liquidity position on a daily basis and conducts regular liquidity stress testing. The Board and senior management ensure that the Bank's funding strategy and its implementation are consistent with their expressed risk tolerance. The board delegates responsibility for establishing specific liquidity risk policies and practices to the Asset/Liability Committee (ALCO). ALCO is responsible for ensuring that measurement systems adequately identify and quantify the Bank's liquidity exposure and that reporting systems communicate accurate and relevant information about the level and sources of that exposure.

Any violation of the Liquidity Policy and predefined limits is reported to ALCO. In case of limit excess during a market turmoil ALCO calls an immediate meeting to discuss following and other options to bring the liquidity at its desired levels through slow-down and/or stop entering into new commitments, sell of assets from trading and AFS portfolios and increasing spreads to attract new long-term funds both on consumer and corporate side as defined in Contingency Funding Plan. In order to mitigate the liquidity risk, the Bank diversifies funding sources as customer deposits and funds borrowed from abroad and it keeps certain level of assets as cash and cash equivalents.

Liquidity gaps showing size and maturity mismatches of assets and liabilities also generate liquidity risk. Liquidity gap analysis is done on a monthly basis to be submitted to ALCO or more frequently when required. It distributes all on-balance sheet assets' and liabilities' expected cash flows in pre-defined maturity bands according to remaining contractual maturity.

The Bank's approach to non-maturity liabilities like saving accounts is as follows: The Bank targets withstanding a severe meltdown in its saving accounts deploying its available liquid assets. The severity is defined as a 30% withdraw in the saving account balance in a period of 1 month. The scenario anticipates a fast start in the beginning, i.e. around 10.5% of the saving accounts is withdrawn in the first week and reaching 30% in one month. The distribution implies that 90.4% of the balance will be withdrawn in a period of nine months.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

June 30, 2009

	0-1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Assets						
Cash and balances at central banks	1,797,634					1,797,634
Financial assets designated at fair value through profit or loss	1,074,103	16	2,583	10,496	49,188	1,136,386
Financial Investments	174,484	50,940	99,217	98,939	436,143	859,723
Loans and receivables – banks	746,274	45,506	117,531	29,567	23,380	962,258
Loans and receivables – customers	678,996	515,242	601,234	773,595	2,835,002	5,404,069
Tangible & Intangible Assets					104,542	104,542
Other assets					402,263	402,263
Total Assets	4,471,491	611,704	820,565	912,597	3,850,518	10,666,875
Liabilities						
Due to banks	319,318	33,457	38,000	717,168	17,191	1,125,134
Due to customers	1,751,497	1,052,472	1,436,900	1,614,862	2,348,838	8,204,569
Issued debt securities	-	-	-	109,614	3,363	112,977
Other liabilities	-	-	-	-	364,734	364,734
Total liabilities (excluding subordinated liabilities)	2,070,815	1,085,929	1,474,900	2,441,644	2,734,126	9,807,414
Subordinated liabilities					226,787	226,787
Total Liabilities	2,070,815	1,085,929	1,474,900	2,441,644	2,960,913	10,034,201
Off-Balance sheet Liquidity Gap	(258,679)			500,000	(3,718)	237,603
Alternative Sources of Funds						
Liquid asset-backed securities with haircuts	-	-	-	-	-	-
Cumulative Liquidity position	2,141,997	1,667,772	1,013,437	(15,610)	870,277	870,277

December 31, 2008

	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Total
Assets						
Cash and balances at central banks	1,964,800	-	-	-	-	1,964,800
Financial assets designated at fair value through profit or loss	188,765	-	19,664	1,902	41,277	251,608
Financial investments	73,103	3,652	28,970	72,049	208,946	386,720
Loans and receivables – banks	810,181	37,161	51,021	35,696	18,873	952,932
Loans and receivables – customers	613,002	478,949	473,392	697,750	3,106,628	5,369,721
Tangible & Intangible Assets	-	-	-	-	107,407	107,407
Other Assets	-	-	-	-	507,589	507,589
Total Assets	3,649,851	519,762	573,047	807,397	3,990,720	9,540,777
Liabilities						
Due to banks	358,973	241,968	211,557	142,020	274,907	1,229,425
Due to customers	1,638,020	1,097,260	1,273,625	1,778,348	1,014,699	6,801,952
Issued debt securities	-	-	-	-	135,569	135,569
Other Liabilities	-	-	-	-	471,743	471,743
Total liabilities (excluding subordinated liabilities)	1,996,993	1,339,228	1,485,182	1,920,368	1,896,918	8,638,689
Subordinated Liabilities	-	-	1,036	-	230,043	231,079
Total Liabilities	1,996,993	1,339,228	1,486,218	1,920,368	2,126,961	8,869,768
Off-Balance sheet Liquidity Gap	-	-	-	-	-	-
Alternative Sources of Funds						
Liquid asset-backed securities with haircuts	116,819	-	-	-	-	116,819
Cumulative Liquidity Gap	1,769,677	950,211	37,040	(1,075,931)	787,828	787,828

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009
(Unless otherwise stated all amounts are in thousand Euros)**

Market Risks

Market risk is defined as the current or prospective threat to the Bank's earnings and capital as a result of adverse market movements in market prices (security and derivative prices, as well as interest rates and foreign exchange rates) or in parameters such as volatility and correlations. The trading portfolio includes financial instruments like securities, derivatives and FI loans, which are exposed to short-term price/interest rate fluctuations. Eligible positions should be in line with the guidelines and principles set out in the Market Risk Policy. No eligible positions and financial instruments approved by ALCO are monitored within the scope of the banking book. In line with its business plan the Bank has "minor" risk appetite in market risk. The Bank aims at regularly measuring and monitoring its market risk associated with adverse market movements affecting the trading components of its Treasury and FI portfolio. It measures its market risk using different approaches- standard and internal models.

Bank risk tolerance in the form of limits is determined in order to manage the market risk efficiently and to keep market risk within these limits. Risk limits such as VaR limit (Value-at-Risk), notional limits, sensitivity limits are set by considering the primary risk factors. In case of a limit breach, ALCO is convened in order to determine strategy and take necessary actions to restore the outstanding exposure within limits in a certain period of time.

The Bank measures the market risk of its trading book as well as the foreign exchange risk of its banking book by using an internal model, based on VaR methodology. VaR defines the maximum loss not exceeded with a given probability over a given period of time under normal market conditions. However, this approach fails to capture exceptional losses under extreme market conditions; that is why market risk measurement is complemented by periodic stress-testing analysis.

The internal VaR model is used only for risk monitoring purposes and not for regulatory capital purposes. Regulatory capital for market risk is calculated and reported quarterly according to the Standard Approach as specified in the market risk regulations of the DNB.

Other market risk types like liquidity, re-pricing and interest rate risk of the banking book, are measured and monitored through sensitivity and gap analysis, detailed in subsequent sections.

Interest Rate Risk in the banking book

One of the major risks for the Bank under Pillar II is the interest rate risk of the banking book. The Bank defines interest rate risk as the current or prospective risk to earnings and capital arising from adverse movements in interest rates. The trading book is also subject to interest rate risk, but this type of risk is dealt with under Market Risk: Value-at-Risk section. Subsidiaries are not allowed to carry interest rate positions and expected to transfer their positions to the parent Bank where centralized ALM and funding principles are in place. The Bank has a "minor" risk tolerance towards interest rate risk in its banking book.

The Bank's interest rate risk is monitored for the Banking book only, by means of a "Static Repricing Gap" and an "Interest Rate Sensitivity" analysis on a monthly basis in all levels for each major currency in use. Interest rate sensitivity of the Banking book is calculated according to "Economic Value approach" and reported on a monthly basis on Bank and Group Level to the Risk Management Committee and Treasury Department.

For the Repricing Gap any mismatch exceeding 15% of the equity, at maturities longer than 6 months, is hedged, unless otherwise approved by ALCO. For the maturity Gap the consolidated Gap shouldn't be negative for the first 6 months unless otherwise approved by ALCO.

Interest rate sensitivity of the banking book is calculated according to "Economic Value approach". All future cash flows, arising solely from on and off- balance sheet assets and liabilities are discounted back to their present values with zero-coupon yield curves in order to see the impact of interest rate changes on the economic value of the bank. The impact of the curve with the maximal net gain or loss compared to a benchmark curve is analyzed.

Interest rates sensitivity of the banking book is measured by means of PV01 method. The PV01 method is based on flat upward shifts of each currency's yield curve in magnitude of 1 basis point. The economic value impact of these shifts on the banking book is then analyzed. PV01 analysis is complemented with 200 basis points (bps) scenarios which consist of the parallel shifts of the yield curves by shifting short-term rates and long-term rates for each individual currency.

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

The impact of the curve with the maximal net gain or loss compared to a benchmark curve is then analyzed.

The calculated negative effect on the net present economic value is reported as ICAAP-capital buffer for the Bank's interest rate risk.

June 30, 2009

	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Non-Interest bearing items	Total
Assets							
Cash and balances at central banks	1,797,634	-	-	-	-	-	1,797,634
Financial assets designated at fair value through profit or loss	5,234	11,161	112,337	63,598	943,529	527	1,136,386
Financial Investments	97,107	150,155	89,363	45,266	477,824	8	859,723
Loans and receivables – banks	426,826	42,279	113,728	69,640	15,283	294,502	962,258
Loans and receivables – customers	1,009,748	812,223	754,148	958,546	1,648,610	220,794	5,404,069
Tangible & Intangible Assets	-	-	-	-	-	104,542	104,542
Other assets	-	-	-	-	-	402,263	402,263
Total Assets	3,336,549	1,015,818	1,069,576	1,137,050	3,085,246	1,022,636	10,666,875
Liabilities							
Due to banks	254,463	224,889	52,315	548,237	14,602	30,628	1,125,134
Due to customers	3,387,790	433,930	719,412	807,147	2,021,429	834,861	8,204,569
Issued debt securities and other borrowed funds	-	-	3,363	109,614	-	-	112,977
Other liabilities	-	-	-	-	-	364,734	364,734
Total Liabilities (excluding subordinated liabilities)	3,642,253	658,819	775,090	1,464,998	2,036,031	1,230,223	9,807,414
Subordinated liabilities	126,993	98,731	-	-	-	1,063	226,787
Total Liabilities	3,769,246	757,550	775,090	1,464,998	2,036,031	1,231,286	10,034,201
Off Balance interest sensitivity gap	152,774	55,924	(67,071)	2,199	(837,100)	-	(693,274)
Net GAP	(279,923)	314,192	227,415	(325,749)	212,115	(208,650)	(60,600)

December 31, 2008

	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year	Non interest bearing items	Total
Assets							
Cash and balances at central banks	1,964,800	-	-	-	-	-	1,964,800
Financial assets designated at fair value through profit or loss	86,334	13,608	80,366	28,655	41,328	1,317	251,608
Financial investments	127,130	25,157	31,717	36,554	165,719	443	386,720
Loans and receivables – banks	241,608	29,779	54,976	28,089	3,537	594,943	952,932
Loans and receivables – customers	1,332,125	915,550	788,801	735,546	1,593,114	4,585	5,369,721
Tangible & Intangible Assets	-	-	-	-	-	107,407	107,407
Other Assets	-	-	-	-	-	507,589	507,589
Total Assets	3,751,997	984,094	955,860	828,844	1,803,698	1,216,284	9,540,777
Liabilities							
Due to banks	172,344	473,395	248,400	105,474	17,473	212,339	1,229,425
Due to customers	3,176,722	541,960	607,892	993,205	1,017,022	465,151	6,801,952
Issued debt securities	-	-	-	2,656	132,913	-	135,569
Other Liabilities	-	-	-	-	-	471,743	471,743
Total Liabilities (excluding subordinated liabilities)	3,349,066	1,015,355	856,292	1,101,335	1,167,408	1,149,233	8,638,689
Subordinated Liabilities	39,514	190,671	894	-	-	-	231,079
Total Liabilities	3,388,580	1,206,026	857,186	1,101,335	1,167,408	1,149,233	8,869,768
Off-BS interest sensitivity gap	21,501	5,601	45,838	108,668	(184,317)	-	(2,709)
Net Gap	384,918	(216,331)	144,512	(163,823)	451,973	67,051	668,300

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Currency risk

The Bank takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Bank enters into foreign currency forward, swap and cross currency swap transactions to decrease foreign currency position risk.

Position limit of the Bank related with currency risk is determined according to foreign currency net position standard ratio determined by the Dutch Central Bank.

The Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with the risks resulting from market fluctuations. The Bank monitors risks of forward transactions, options and other similar agreements, reviews open positions with the ALCO Committee and takes appropriate action where deemed necessary.

Consolidated subsidiaries and associates determine position limits related with currency risk as determined by local regulatory bodies. Subsidiaries established abroad conduct their operations in local currencies of the countries they are incorporated in.

The result of structural foreign exchange positions on the Bank's net investments in foreign subsidiaries and branches, together with any related net investment hedges (see note 11), is recognised in equity.

Foreign exchange risk of the position held is calculated with Value at Risk methodology and reported daily on bank only level. The VaR limits and other market risk related issues are monitored by the Risk Management department and discussed in ALCO meetings.

The currency position, taking off balance sheet derivative transactions into accounts, is at insignificant levels as of June 2009 and December 2008. The positions are taken in line with the Bank's risk management policies.

Currency analysis for the year ended June 30, 2009:

	EUR	USD	CHF	RON	RUB	UAH	TRY	Others	Total
Cash and balances with central banks	1,619,530	5,796	442	135,771	33,432	2,542	-	121	1,797,634
Financial assets designated at fair value through profit or loss	1,063,446	48,825	-	1,273	22,808	-	34	-	1,136,386
Financial investments	187,830	515,082	-	51,368	76,129	29,314	-	-	859,723
Loans and receivables – banks	1,409,381	24,678	2,931	(510,498)	12,028	1,623	1,760	20,355	962,258
Loans and receivables – customers	1,704,979	2,032,933	194,935	811,735	597,326	7,989	48,743	5,429	5,404,069
Derivative financial instruments	688,150	(308,109)	(47,522)	(12,013)	(2,304)	-	(518)	56	317,740
Equity accounted investments	160	-	-	282	-	-	-	-	442
Property and equipment	35,978	624	1,291	29,863	13,188	3,014	-	-	83,958
Goodwill and other intangible assets	16,500	126	-	1,922	1,576	460	-	-	20,584
Other assets	12,587	15,663	2,118	19,923	16,438	8,368	8,981	3	84,081
Total assets	6,738,541	2,335,618	154,195	529,626	770,621	53,310	59,000	25,964	10,666,875
Due to banks	766,328	138,694	(4,793)	39,418	172,217	-	2,806	10,464	1,125,134
Due to customers	7,223,587	468,589	9,233	337,734	139,389	2,820	14,876	8,341	8,204,569
Derivative financial instruments	190,675	4,067	30,286	1,612	(3,433)	-	14,923	4	238,134
Issued debt securities	-	109,614	-	-	3,363	-	-	-	112,977
Provisions	1,336	-	-	-	-	164	-	-	1,500
Other liabilities	27,045	49,653	14,674	16,163	12,590	3,228	32	1,715	125,100
Subordinated liabilities	61,073	165,714	-	-	-	-	-	-	226,787
Total liabilities	8,270,044	936,331	49,400	394,927	324,126	6,212	32,637	20,524	10,034,201
Net on balance sheet position	(1,531,503)	1,399,287	104,795	134,699	446,495	47,098	26,363	5,440	632,674
Off-Balance sheet net position	2,208,203	(1,432,679)	(91,667)	(164,996)	(351,068)	(46,600)	(37,930)	(6,091)	77,172
Net open position	676,700	(33,392)	13,128	(30,297)	95,427	498	(11,567)	(651)	709,846

Credit Europe Bank N.V.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As of June 30, 2009 (Unless otherwise stated all amounts are in thousand Euros)

Currency analysis for the year ended December 31, 2008:

	EUR	USD	CHF	RON	RUB	UAH	TRY	Others	Total
Cash and balances with central banks	1,671,145	124,729	701	107,961	57,760	2,448	-	56	1,964,800
Financial assets designated at fair value through profit or loss	224,941	26,264	-	369	-	-	34	-	251,608
Financial investments	78,918	233,581	-	26,084	21,785	26,352	-	-	386,720
Loans and receivables – banks	233,103	680,316	7,083	146	11,607	7,021	3,998	9,658	952,932
Loans and receivables – customers	2,160,539	1,821,372	195,013	360,468	749,130	9,359	72,713	1,127	5,369,721
Derivative financial instruments	306,561	55,085	63,428	-	-	-	-	-	425,074
Equity accounted investments	125	-	-	-	-	-	-	-	125
Property and equipment	35,250	633	1,420	33,352	16,533	4,523	-	-	91,711
Goodwill and other intangible assets	2,116	-	-	7,607	5,531	442	-	-	15,696
Other assets-monetary	306,984	(244,281)	479	2,944	10,007	6,214	42	1	82,390
Other assets-non monetary									
Total assets	5,019,682	2,697,699	268,124	538,931	872,353	56,359	76,787	10,842	9,540,777
Due to banks	273,909	578,842	1,007	14,203	325,454	732	34,748	530	1,229,425
Due to customers	5,713,434	416,983	5,486	350,351	118,122	2,165	173,395	22,016	6,801,952
Derivative financial instruments	253,072	269	73,740	197	7,192	-	-	5	334,475
Issued debt securities	-	132,338	-	37	3,194	-	-	-	135,569
Provisions	1,536	-	-	-	-	212	-	-	1,748
Other liabilities-monetary	(48,541)	137,083	15,866	15,000	15,003	568	17	24	135,520
Subordinated liabilities	110,678	120,401	-	-	-	-	-	-	231,079
Total liabilities	6,304,088	1,385,916	96,099	379,788	469,465	3,677	208,160	22,575	8,869,768
Net on balance sheet position	(1,284,406)	1,311,783	172,025	159,143	402,888	52,682	(131,373)	(11,733)	671,009
Off-Balance sheet net position	1,940,960	(1,265,023)	(168,981)	(158,152)	(431,957)	(47,733)	126,999	2,978	(909)
Net open position	656,554	46,760	3,044	991	(29,069)	4,949	(4,374)	(8,755)	670,100

31. LIST OF SUBSIDIARIES

Name	Place	Country	Interest	
			June 30, 2009	December 31, 2008
Credit Europe Bank Ltd	Moscow	Russia	96.28%	95.96%
Credit Europe Bank (Romania) SA	Bucharest	Romania	96.39%	94.05%
Credit Europe Leasing LLC	Kiev	Ukraine	100.00%	100.00%
CSJC Credit Europe Bank	Kiev	Ukraine	99.99%	99.99%
Stitching Credit Europe Custodian Services	Amsterdam	The Netherlands	100.00%	100.00%
Credit Europe Bank (Suisse) S.A.	Geneva	Switzerland	100.00%	100.00%
Credit Europe Bank (Dubai) Ltd	Dubai	The United Arab Emirates	100.00%	100.00%
Credit Europe Leasing LC Russia	Moscow	Russia	98.04%	-
Credit Europe Bank Consumer Finance S.A.	Brussels	Belgium	100.00%	100.00%

Credit Europe Bank N.V.

**REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As of June 30, 2009**

To: Credit Europe Bank N.V.
Karspeldreef 6a
1101 CJ Amsterdam, the Netherlands

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Credit Europe Bank N.V., Amsterdam as at 30 June 2009, which comprises the statement of financial position as at 30 June 2009, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the selected explanatory notes for the six-month period then ended (“the condensed consolidated interim financial information”). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including standard 2410, “Review of Interim Financial Information Performed by the Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union

Amstelveen, 31 August 2009

KPMG ACCOUNTANTS N.V.

W.G. Bakker RA