

Risk Management and Capital Adequacy Pillar III Report

(CREDIT EUROPE BANK N.V.)

For the year ended December 31, 2010

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1. Introduction

CEB was founded originally as Finansbank (Holland) N.V. in 1994. Today, headquartered in the Netherlands, Credit Europe Bank comprises banking subsidiaries in Romania, Ukraine, Suisse, United Arab Emirates (Dubai), Russia and Turkey including leasing subsidiaries in Romania, Russia and Ukraine. It has branches in Belgium, Germany and Malta, with representative offices in China (Shanghai) and Turkey (Istanbul).

Under the Protocol Agreements entered into on 9 February 2010, the Bank acquired 95% of shares in Turkey based Millennium Bank A.Ş. on 27 December, 2010. The Bank, now rebranded to Fibabanka is authorized to perform all types of commercial banking services and operates in corporate and retail banking segments. Fibabanka has been consolidated from 27 December, 2010.

Starting from January 2008 CEB monitors, and reports its solvency position according to the Basel II rules and principles. The main regulatory document, which embodies the requirements of Basel II in EU, is "Directive 2006/48/EC, Directive 2006/49/EC, Directive 2009/111/EC and Directive 2010/76/EU" relating to the taking up and pursuit of the business of credit institution (CRD).

The CRD is legally enforced under Dutch 'Supervisory Regulation on Solvency Requirements for Credit, Market and Operational Risks' dated 11 December 2006.

With the Basel II framework Basel Committee on Banking Supervision has modified and improved the set of rules regarding the capital adequacy requirements for banks, set out in 1988 Basel Capital Accord (Basel I).

The Basel II framework is based on three pillars:

- Pillar I defines the rules for calculation of minimum capital requirements for credit, market and operational risks;
- Pillar II addresses the internal processes for assessing overall capital adequacy (ICAAP) in relation to material risks not covered by Pillar I. Pillar II also introduces the Supervisory Review and Evaluation Process (SREP), which assesses internal capital adequacy processes of credit institution;
- Pillar III aims to complement the minimum capital requirements set in Pillar I and the supervisory review process of Pillar II. Pillar III introduces the minimum disclosure requirements, related to the key solvency and risk profile of the credit institutions.

1.1. Pillar I

CRD maintained same level of minimum capital requirements (8%) as it was under Basel I. In this respect the main changes in the new framework relate to the calculation of Risk Weighted Assets (RWA).

Under previous regulation calculation of RWA was simple and standardized. Basel II, however, uses more sophisticated and risk sensitive approaches for assessing the risks, aiming to promote a more forward-looking approach to capital management.

Additionally to credit and market risks the new risk type is introduced under Basel II – operational risk.

Basel II provides several approaches for calculating regulatory capital requirements. The overview of these methods is provided below.

CREDIT RISK	MARKET RISK	OPERATIONAL RISK
Standardized Approach	Standardized Approach	Basic Indicator Approach
Foundation Internal Rating Based Approach	Internal Models Approach	Standardized Approach
Advanced Internal Rating Based Approach	-	Advanced Measurement Approach

CEB adopted Standardized Approach for credit and market risks and Basic Indicator Approach for operational risk.

1.2. Pillar II

Apart from the risks covered by Pillar I, CEB conducts regular assessment and monitoring of other risks within the internal capital adequacy assessment process (ICAAP).

The material risks assessed and continuously monitored during the ICAAP process are

- concentration risk (including single-name and sector concentration);
- country concentration;
- interest-rate risk on the banking book,

The settlement risk, pension risk, reputation risk and residual risk are not assessed during the ICAAP process as they are considered to be immaterial.

CEB complies itself to review ICAAP annually and adjust the approach towards material risks if needed.

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

1.3. Pillar III

The Pillar III disclosure aims to provide a higher transparency of banks' businesses and their risk structures which are communicated to the market participants. The disclosed information shall improve market participants' ability to assess banks' capital structures, risk exposures, risk management processes, and, hence, their overall capital adequacy.

CEB's Pillar III related qualitative and quantitative disclosures are in line with CRD's minimum disclosure requirements for capital and risk management.

The Pillar III Disclosure Report covers following topics:

- Description of the group structure;
- Description of capital and risk management strategies and approaches;
- Regulatory capital requirements under Pillar I and capital adequacy profile;
- Description of credit and dilution risks;
- Impaired and past due assets;
- Credit quality of CEB's portfolio;
- Counterparty credit risk;
- Description of credit risk mitigation techniques;
- Operational risk;
- Market risk;
- Interest rate risk;
- Liquidity risk.

The Pillar III disclosures are prepared for CEB on consolidated basis. The list of significant subsidiaries is available in Annex I of this document. Unless otherwise stated, all amounts are in thousands of Euros.

Pillar III Disclosure Report is prepared semi annually and is published on the CEB's website www.crediteuropebank.com

2. Group Structure

CEB differentiates between legal and prudential consolidation scopes.

CEB prepares its IFRS financial statements under legal consolidation scope, determined by IFRS 27 Consolidated and Separate Financial Statements and IFRS 28 Investments in Associates.

Prudential consolidation scope is used for the reporting towards regulator, which is the Dutch Central Bank and currently is taken without any change as the Basel II consolidation scope and therefore pertain solely to the banking institutions.

In order to satisfy the conditions of prudential reporting CEB deducts from its regulatory capital base insurance entities which are consolidated under legal consolidation scope.

Table below provides an overview of CEB's legal structure as of 31 December 2010.

Table 1 Description of entities consolidated/deducted from capital base
(31 December 2010)

Name of the entity	Book Value	Interest %	Domicile
<i>Entities fully consolidated</i>			
Credit Europe Bank (Russia) Ltd	343,581	96.34%	Russia
Credit Europe (Romania) Bank S.A.	173,746	96.39%	Romania
Credit Europe (Suisse) Bank S.A.	128,022	100.00%	Switzerland
CSJC Credit Europe Bank	54,821	99.99%	Ukraine
FIBABANKAA.Ş.	51,791	95.00%	Turkey
Credit Europe (Dubai) Ltd.	41,577	100.00%	The United Arab Emirates
Credit Europe Leasing (Russia) LLC	6,866	98.40%	Russia
Ikano Finance Holding BV	581	50.00%	The Netherlands
Bell Maritime Corporation	(374)	100.00%	Marshall Islands
Walton Maritime SA	(530)	100.00%	Marshall Islands
Gosport Marine Inc.	(1,239)	100.00%	Marshall Islands
Credit Europe Leasing (Ukraine) LLC	(13,214)	100.00%	Ukraine
Total entities fully consolidated	785,628		
<i>Entities deducted from own funds</i>			
CE Life Ltd.	2	100%	Russia
Total entities deducted from own funds	2		
<i>Entities neither consolidated nor deducted from own funds</i>			
Stichting Credit Europe Custodian Services S.A	125	100.00%	The Netherlands
Total entities neither consolidated nor deducted from own funds	125		

There are no legal restrictions on transfer of funds or regulatory capital within the group; however re-allocating capital from the subsidiaries to the parent bank might be subject to the approval of the local supervisor in certain cases.

3. Capital and Risk Management

3.1. Roles and Responsibilities

Credit Europe Bank Supervisory and Managing Boards have set policy-level standards in accordance with the regulations of the Dutch Central Bank (De Nederlandsche Bank – DNB) and the guidelines published by the Basel Committee and the European Banking Authority (formerly known as CEBS).

The core elements of the bank's risk management and control framework are:

- Establishing a well-defined risk appetite and strategy;
- Improving the risk governance structure;
- Capital management
- Identifying and managing key risk factors (credit risks, market risk, liquidity risk, interest rate risk, currency risk and operational risk).;

3.2 Risk Appetite and Risk Governance

The CEB risk management philosophy requires direct reporting lines and a clear division of tasks and responsibilities. At the same time, it ensures that bank-wide criteria for acceptance, monitoring, control and management of risks are deeply rooted. We clearly separate risk ownership from business activities.

CEB exercises full control over its subsidiaries' business performance and steers their risk appetite. In addition, we employ the following risk management governance structure:

- Effective Audit & Risk Committees at subsidiary as well as consolidated level;
- Direct reporting of general managers of the banks' subsidiaries to the CEO of CEB;
- Presence of a global CRO function on the Managing Board;
- A uniform credit committee structure at both local and the consolidated level.

CEB has a global Operational Risk Management (ORM) Department whose goal is to consolidate the already-existing ORM activities and coordinate implementation of the framework at locations where there was no prior ORM activity. The framework uses the Risk Control Self-Assessment and Operational Loss database to identify risks and establish risk-mitigating action points. Related departments have been given awareness trainings to ensure that operational-risk management is embedded in day-to-day operations.

CEB has established a center of excellence for retail risk management responsible for scoring, risk based pricing, algorithm development, stress testing, monitoring and reporting. The center is composed of 22 highly skilled statisticians, bankers, econometrists, database

programmers and risk managers. The team has worked in projects in several countries including Russia, Romania, Germany and Belgium. Now through their efforts, all banking entities are taking the right risk with the right interest margin.

We continue to invest in our risk management capabilities in each entity of the bank. In 2010, this included creating a streamlined credit process, particularly with regard to risk modeling, and implementing integrated stress testing measures. These efforts also cover a wide range of activities, from strengthening risk management in Human Resources, qualitatively and quantitatively, to seeking external assessments of our risk management capabilities.

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 Risk Officer (CRO). The CRO is responsible for financial and non-financial risk management, internal audit and compliance.

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 daily to the Managing Board.

3.3. Capital Management

A capital level commensurate with the bank's risk profile is the key to financial resilience. CEB operates with an optimum level and mix of capital resources. A centralized regulatory/internal capital management model plays a major role in this process. The CEB internal capital model incorporates detailed scenario analyses of key risk factors and their potential effects on profit and loss and the bank's capital base under different assumptions. This framework is designed to ensure CEB has sufficient capital resources to meet the capital requirements of DNB, as well as those of local regulators in our operating countries. It further ensures that we have capital available to meet our own risk appetite and internal guidelines. We place great emphasis on the strength of our capital base as a way to maintain investor, creditor and market confidence, and to sustain future business development.

CEB allocates assets in accordance with the risk-return thresholds defined in our risk appetite statement. Business units are required to fully understand the inherent risk-reward profile of their business and to generate a specific level of return on regulatory/internal capital requirements. The CEB risk strategy has proved its value, not only by providing consistently strong financial results, but also by yielding consistently robust returns on equity.

CEB and its individually supervised subsidiaries complied with all externally imposed capital requirements throughout the reporting period. The bank's capital-management objectives are to:

- Maintain sufficient capital resources to meet the DNB's minimum regulatory capital requirements.
- Ensure that locally regulated subsidiaries can meet their minimum capital requirements.
- Achieve adequate capital levels to support the bank's risk appetite and internal capital

requirements.

- Maintain a strong capital base to reassure investors, creditors and markets, and to sustain future business development.

To support its capital-management objectives, the bank takes into account:

- Possible volatility in anticipated demand for capital caused by new business opportunities, including acquisitions, or by deterioration in the credit quality of the bank's assets.
- Possible volatility of reported profits and other capital resources compared with forecast.
- Capital ratio sensitivity to foreign-exchange-rate movements.

3.4. Risk Types

3.4.1. Pillar I Risks

Credit Risk

Credit risk is defined as the current or prospective threat to CEB'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 CEB and arises mainly from its trade-finance, lending, treasury, mortgage and leasing businesses.

Credit risk both stem from idiosyncratic risk factors and systematic factors like country risk and industry risk. Idiosyncratic risk factors are managed through counterparty risk assessment and monitoring while portfolio diversification is adopted as the main portfolio strategy to control country, industry and single name concentration risks.

Market Risk

Market risk is the risk that CEB's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates.

Operational Risk

CEB defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It includes legal risk and outsourcing risk (within Execution, Delivery, & Process Management) but excludes strategic risk, business risk, liquidity risk, reputational risk.

3.4.2. Pillar II Risks

Concentration risks

This includes single-name, sector and country concentration risks. Calculation of capital requirements for the credit risk under Pillar I do not consider a buffer for credit risk concentrations, therefore an assessment of additional required capital due to concentration risk is conducted under Pillar II.

GRMD prepares regular concentration reports to monitor its concentration risks on different levels. Concentration risk is managed with the limit structure and credit risk mitigation techniques.

Interest rate risk in the banking book

One of the Bank's major risks under Pillar II is the interest-rate risk on 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 the Market Risk Value-at-Risk section. Subsidiaries are not allowed to carry interest-rate positions and are 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.

Liquidity risk

Liquidity risk rises when an institution is unable to meet its due liabilities, since it is unable to borrow on an unsecured basis, or does not have sufficient good quality assets to borrow against or liquid assets to sell to raise immediate cash without severely damaging its net asset value.

CEB manages its liquidity position on the consolidated level in order to be able to ride out a crisis without damaging the on-going viability of the business. This is complemented by its funding risk management which aims to achieve the optimal liability structure to finance its businesses cost-efficiently and reliably.

4. Regulatory Capital Requirements and Capital Adequacy Profile

CEB ensures that it holds enough capital to cover its material risks. The nature and quality of the capital which can be included into total own funds for the purposes of capital requirement calculation is subject to regulatory restrictions set out by CRD and the Dutch Central Bank. This section describes main elements of CEB's capital base and provides capital adequacy profile of CEB, CEG and its significant subsidiaries.

4.1. Structure of Total Own Funds

The total own funds eligible for regulatory purposes are composed of three components: Tier I capital also referred as "core capital", Tier II or "supplementary capital" and Tier III. Currently CEB's capital base includes Tier I and Tier II capital. The main terms and conditions of these elements are summarized below.

Tier I capital of CEB includes share capital and share premium, retained earning and current year profit, other eligible reserves (excl. revaluation reserves for tangible assets) and minority interests.

Other eligible reserves are composed of fair value reserves, hedge reserves and translation reserves. Fair value reserves includes the cumulative net change in the fair value of available-for-sale investments, whereas changes in the fair value of interest-bearing instruments are not included in the total own funds in any way. For more information about the features of the main elements included into Tier I capital refer to note 21, p. 66 of CEB's Financial Statements as of 31 December 2010.

Tier II capital of CEB comprises of subordinated liabilities and revaluation reserves for tangible assets.

Issued liabilities qualify as subordinated debt if claims by the holders are subordinated to all other current and future liabilities of CEB. These liabilities qualify as capital, taking into account remaining maturities (for more details see note 20, p. 66 of CEB's Financial Statements as of 31 December 2010).

Revaluation reserves for tangible assets include accumulated unrealised gains on tangible assets.

Deductions from total own funds includes goodwill and solvency deductible intangible assets, as well as participations held in insurance and other entities, which are not subject to banking supervision.

In order to include the above mentioned components in the total own funds CEB ensures that Tier II capital is less than or equal to the Tier I capital as required by the Dutch Central Bank.

The table below provides the structure of CEB's total own funds.

Table 2 Structure of total own funds for solvency purposes

Composition of total own funds	December 2010	December 2009
Tier I capital		
– paid up share capital	429,500	399,500
– new issuance of perpetual Tier I capital	94,110	
– share premium	163,748	163,748
– eligible reserves (including retained earnings)	23,936	5,546
– fair value reserves (*)	(439)	(219)
– minority interests	22,427	17,608
– income from current year	99,941	49,277
– Additional Tier I Capital	94,110	
– other instruments eligible as Tier I		
Deductions from Tier I capital(**)	(19,732)	(12,975)
Total Tier I capital	813,491	622,485
Tier II capital		
– subordinated capital	224,178	223,490
– revaluation reserves	4,728	4,728
– early redemption	(94,110)	
Deductions from Tier II capital	(1,581)	(1,246)
Total Tier II capital	133,215	226,972
Total own funds	946,706	849,457

(*) Fair value reserves have been adjusted for the fair value of interest bearing instruments that should not be included into total own funds in any way, as laid down in the Dutch 'Financial Supervision Act'.

4.2. Capital Adequacy

Next section provides an overview of regulatory capital requirements of CEB and concerns only Pillar I risks: credit, market and operational risks.

CEB's capital calculation is in line with the 'Supervisory Regulation on Solvency Requirements for Credit, Market and Operational Risks' dated 11 December 2006. There are following exposure classes under current portfolio structure of CEB:

Central governments and central banks include exposures to central governments and central banks.

Financials Institutions comprises of exposures to credit institutions and investment firms.

Corporates: here is included exposure to corporate customers, as well as exposure from private banking activities and exposure to retail and small and medium-sized costumers which do not satisfy the criteria of 'Retail exposure' class.

Retail exposure is defined as exposure to retail and small and medium-sized costumers, which according to the Dutch regulation on Solvency Requirements for Credit Risk can be classified as retail exposure.

Exposure secured on real estate property refers to the exposures or any part of an exposure secured by mortgages on residential property.

Past due items, according to the requirements of the Dutch Central Bank, include only assets which are past due more than 90 days. Other past due and/or impaired assets are included in the corresponding to the counterparty type exposure class.

Other items comprise of tax and other assets, cash and equity participations, tangible, and intangible assets which are not deducted from the total own funds.

The table below provides the capital requirements of CEB broken down by exposure classes and main risk types.

Table 3 Capital requirements and risk weighted assets

(31 December 2010)

	Risk Weighted Exposure	Average RW (%)	Capital Requirements
Credit Risk			
Central governments and central banks	111,623	5.53%	8,930
Institutions	630,674	39.44%	50,454
Corporates	3,638,437	98.21%	291,075
Retail	999,902	75.00%	79,992
Secured by real state property	278,769	39.59%	22,302
Past due items	173,930	110.98%	13,914
Other items	244,702	59.77%	19,576
Total Credit risk	6,078,037	61.25%	486,243
Market Risk			
Equity	1,580	-	126
Option	5,484		439
Trading securities (specific risk)	80,027	31%	6,402
General market risk	48,909	-	3,913
Foreign Exchange	30,921	-	2,474
Total Market Risk	166,921	-	13,354
Total Operational Risk	898,704	-	71,896
Total of items	7,143,662	-	571,493

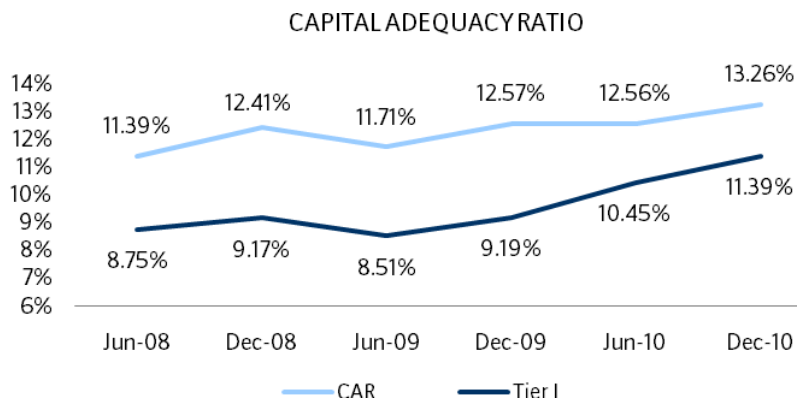
(31 December 2009)

	Risk Weighted Exposure	Average RW (%)	Capital Requirements
Credit Risk			
Central governments and central banks	120,833	5.7%	9,667
Institutions	489,575	50.3%	39,166
Corporates	3,543,449	97.4%	283,476
Retail	875,484	75.0%	70,039
Secured by real state property	237,848	40.2%	19,028
Past due items	185,178	117.8%	14,814
Other items	171,892	72.5%	13,751
Total Credit risk	5,624,258	63.4%	449,941
Market Risk			
Equity in the trading book	1,056	-	84
Trading securities (specific risk)	68,082	7%	5,447
General market risk	162,431	-	12,994
Foreign Exchange	53,407	-	4,273
Total Market Risk	284,975	-	22,798
Total Operational Risk	850,600	-	68,048
Total of items	6,759,834	-	540,787

Capital Ratio is calculated as a ratio of 'Total Own Funds' over 'Total Risk Weighted Assets (RWA)', (composed of RWA for credit, market and operational risks) and is subject to a regulatory minimum of 8%.

CEB reports capital requirements to its local regulator on consolidated level, as well as on the level of CEG. CEB (Holland) is also subject to regulatory requirements on a stand alone basis.

As it is seen from the graphs presented below, CEB maintains the capital and tier I ratios well above regulatory requirements of 8% and 4%.



Among other entities consolidated under CEB only CEB Swiss S.A and CEB Romania S.A. operate under Basel II framework. Solvency profile of Russian, Ukrainian and Dubai subsidiaries is subject to the local regulation of the country of their domicile.

The next table provides an overview of the local capital requirements for significant entities consolidated under CEB.

Table 4 Minimum capital requirements (local regulation)

(31 December 2010)

	Significant subsidiaries							CEB N.V. consolidated (audited)	CEG N.V. (audited)
	CEB Russia Ltd.	CEB Ukraine CJSC	CEB Dubai	CEB Swiss S.A.	CEB Romania S.A.	Millennium	CEB NV (Holland)		
Total Own funds	308,159	47,326	40,158	118,486	103,893	45,376	927,461	946,706	898,048
Total RWA	1,636,053	94,629	161,671	505,942	866,669	302,053	7,463,449	7,143,662	7,126,721
Capital Ratio									
- actual (local)	18.84%	50.01%	24.84%	23.42%	11.99%	15.02%	12.43%	13.25%	12.60%
- required (local)	10%	10%	10%	8%	8%	8%	8%	8%	8%
Capital surplus (deficit)	144,553	37,863	23,991	78,011	34,560	21,212	330,385	375,213	327,910

(31 December 2009)

	Significant subsidiaries						CEB N.V. consolidated (audited)	CEG N.V. (audited)
	CEB Russia Ltd.	CEB Ukraine CJSC	CEB Dubai	CEB Swiss S.A.	CEB Romania S.A.	CEB NV (Holland)		
Total Own funds	290,081	44,685	30,066	90,566	180,513	834,264	849,457	819,745
Total RWA	1,469,016	77,994	184,938	504,557	1,156,482	6,829,249	6,759,834	6,746,872
Capital Ratio								
- actual (local)	19.75%	57.29%	16.26%	17.95%	15.61%	12.22%	12.57%	12.15%
- required (local)	11%	10%	10%	8%	8%	8%	8%	8%
Capital surplus (deficit)	172,559	38,446	15,271	50,201	87,995	287,924	308,670	279,995

5. Credit Risk

This section provides an overview over CEB's credit risk.

In the below tables the total credit risk covers risk associated with the probability of the customer's default and arising mainly from CEB's cash and non-cash loan portfolios, treasury business, including available-for-sale and held-to-maturity assets as well as from derivative instruments which give rise to counterparty credit risk.

Non-cash loan portfolio is comprised of issued letters of guarantees and letters of credits as well as of other irrevocable and revocable credit commitments.

The total exposure for counterparty credit risk is calculated in accordance with the current exposure method and is a sum of potential future exposure and positive current replacement costs after application of the relevant netting options.

Also trading book assets which are subject to specific risk are included in the below tables. These are equity in the trading book and trading securities.

Table 5 Breakdown of total exposure per exposure class

(31 December 2010)

Dec-10	Exposure Value	Average Exposure Value
Credit Risk		
Central governments and central banks	2,017,579	1,784,750
Institutions	1,783,803	1,523,907
Corporates	4,658,138	4,351,971
Retail	1,525,779	1,427,640
Secured by real state property	712,330	641,015
Past due items	156,718	175,879
Other items	409,397	314,531
Total Credit risk*	11,263,746	10,219,692
Equity in trading book	790	581
Trading securities	142,551	667,260

** Included other credit commitments and contingent liabilities*

(December 31, 2009)

	Exposure Value	Average Exposure Value
Credit Risk		
Central governments and central banks	2,110,812	1,763,753
Regional governments or local authorities	-	25,007
Institutions	1,224,880	1,601,820
Corporates	4,040,925	4,417,587
Retail	1,425,787	1,462,068
Secured by real state property	591,208	617,366
Past due items	157,170	139,465
Other items	237,147	174,593
Total Credit risk*	9,787,931	10,201,659
Equity in trading book	528	456
Trading securities	995,202	1,073,356

** Included other credit commitments and contingent liabilities*

The average exposure is calculated as the average for period end of each.

The following tables broke down total exposure by the type of financial assets. Tangible, tax and other assets as well as cash balances, captured under 'Other items' exposure class are not included in the below tables.

Table 6 Total exposure broken down by asset type

(31 December 2010)

	Central governments and central banks	Institutions	Corporates	Retail	Secured by real state property	Past due items	Total
Demand deposits with central banks	1,182,271	-	-	-	-	-	1,182,271
Financial investments	601,313	638,645	174,410	-	-	-	1,414,367
Loans and receivables - banks	150,008	635,185	-	-	-	607	785,800
Loans and receivables - customers	83,987	-	3,491,756	1,400,996	712,330	156,112	5,845,181
Contingent liabilities and other commitments*	-	266,955	766,734	124,783	-	-	1,158,472
Counterparty credit risk	-	243,019	225,239	-	-	-	468,257
							-
Total credit risk	2,017,579	1,783,803	4,658,138	1,525,779	712,330	156,718	10,854,348
Equity in trading book	-	-	790	-	-	-	790
Trading securities	54,230	79,920	8,401	-	-	-	142,551

* includes 157 million unconfirmed LCs but not need to be reported in financials.

(December 31, 2009)

	Central governments and central banks	Institutions	Corporates	Retail	Secured by real state property	Past due items	Total
Demand deposits with central banks	1,556,311	-	-	-	-	-	1,556,311
Financial investments	554,502	399,066	155,267	-	-	9,005	1,117,840
Loans and receivables - banks	-	604,033	10	-	-	11,470	615,514
Loans and receivables - customers	-	-	3,183,231	1,307,553	591,208	136,695	5,218,687
Contingent liabilities and other commitments	-	53,592	566,960	118,234	-	-	738,787
Counterparty credit risk	-	168,189	135,456	-	-	-	303,645
							-
Total credit risk	2,110,812	1,224,880	4,040,925	1,425,787	591,208	157,170	9,550,784
Equity in trading book	-	-	528	-	-	-	528
Trading securities	690,619	298,470	6,113	-	-	-	995,202

The breakdown of the total exposure by geographical region is provided in the below table.

Table 7 Geographical distribution of total exposure

(31 December 2010)

	Russia	Turkey	Romania	Ukraine	Other Emerging Markets	Developed markets	Total exposure
Credit Risk							
Central governments and central banks	27,065	20,065	178,054	10,076	10,937	1,771,382	2,017,579
Institutions	229,492	94,046	24,863	53,561	193,697	945,124	1,540,785
Corporates	975,096	1,489,984	401,007	78,604	217,628	1,270,581	4,432,900
Retail	802,188	64,864	379,792	16,067	22	262,846	1,525,779
Secured by real state property	64,630	136,001	505,623	6,076	-	-	712,330
Past due items	15,238	6,463	110,613	10,754	-	13,650	156,718
Counterparty credit risk	1,571	76,838	296	-	14,544	375,009	468,257
Total credit risk*	2,115,280	1,888,262	1,600,249	175,138	436,828	4,638,592	10,854,348
Equity in trading book	-	-	790	-	-	-	790
Trading securities	75	70,261	0	1910,849	0	70,304	142,551

* Included other credit commitments and contingent liabilities

(31 December 2009)

	Russia	Turkey	Romania	Ukraine	Other Emerging Markets	Developed markets	Total exposure
Credit Risk							
Central governments and central banks	100,267	-	313,100	18,250	81,967	1,597,228	2,110,812
Institutions	217,698	166,177	53,104	37,379	22,627	559,706	1,056,691
Corporates	863,114	1,546,616	551,724	89,929	103,010	751,076	3,905,469
Retail	584,545	-	471,130	11,741	0	358,371	1,425,787
Secured by real state property	49,203	-	532,797	6,873	-	2,335	591,208
Past due items	36,532	10,190	72,597	10,693	10,179	16,979	157,170
Counterparty credit risk	1,273	101,296	927	-	29	200,119	303,645
Total credit risk*	1,852,632	1,824,280	1,995,379	174,865	217,812	3,485,815	9,550,784
Equity in trading book	-	-	528	-	-	-	528
Trading securities	11,983	9,484	-	-	10,307	963,428	995,202

* Included other credit commitments and contingent liabilities

Next tables show the breakdown of total credit exposure by residual maturity. Counterparty credit risk is not included in the analysis.

Table 8 Breakdown of credit risk by residual maturity

(31 December 2010)

Remaining maturity	Central governments and central banks	Institutions	Corporates	Retail	Secured by real state property	Past due items	Total
<= 1 year*	1,881,814	971,460	2,635,884	560,264	78,255	67,565	6,195,242
1 year – 5 years	109,738	247,558	1,361,007	678,492	39,481	55,845	2,492,120
> 5 years	26,028	321,767	436,009	287,023	594,595	19,295	1,684,716
Unallocated						14,013	14,013
Total	2,017,579	1,540,785	4,432,900	1,525,779	712,330	156,718	10,386,091

(31 December 2009)

Remaining maturity	Central governments and central banks	Institutions	Corporates	Retail	Secured by real state property	Past due items	Total
<= 1 year*	1,875,925	756,788	2,238,490	95,108	90,733	68,018	5,125,063
1 year – 5 years	101,578	171,086	1,373,241	896,476	29,893	55,845	2,628,120
> 5 years	133,310	128,816	293,737	434,203	470,582	19,295	1,479,943
Unallocated	-	-	-	-	-	14,013	14,013
Total	2,110,812	1,056,690	3,905,469	1,425,787	591,208	157,170	9,247,139

Past due and impaired assets

In 2009, CEB adjusted its Loan Assessment and Impairment Policy to align its definitions to the industry practices and regulatory requirements. CEB believes that the new classification of 'loan portfolio', which is based on the respective recovery capabilities and debtors' creditworthiness levels, provides a more detailed and transparent overview of the portfolio's credit quality.

According to the new policy, CEB differentiates between the following categories of assets in the loan portfolio:

- Standard (performing) loans covers corporate (retail/SME) loans on which payments are made according to the contractual terms, repayment problems are not expected in the future and which are totally recoverable (collectable).
- Watch List (sub-standard loans) is for corporate loans where problems with principal or interest payments are not necessarily present yet, but which require close monitoring due to negative trends in the debtors' payment capability or cash-flow positions, for instance. Corporate loans experiencing delays of contractual payments of less than 90 days or credit-quality deterioration in terms of internal rating.
- Non-Performing Loans (NPL) includes loans and receivables with limited (doubtful) recovery prospects. These clients:
 - have limited means for total recovery because their repayment capacity is inadequate to cover payments on respective terms; they are likely to lead to losses if these problems are not solved; or,
 - are in a situation where full or partial recovery prospects are fully dependent

- on the outcome of the liquidation of the underlying assets or recourse to the guarantor; or,
- have suffered significant credit quality deterioration; or,
- have delayed the capital and/or interest payments for more than 90 days as of the day of their payment date
- Delinquent Loans are retail loans (including SME loans and the residential-mortgage portfolio) with a delay in contractual payment of no more than 90 days (also shown on Watch List).

CEB aims to maintain sufficient reserves to cover its incurred losses. According to its policy, CEB differentiates between:

- Provisions for individually assessed assets
- Provisions for collectively assessed assets.

All Watch List and NPL corporate customers are analysed individually, regardless of their size. Standard (performing) loans are subject to individual assessment only if they are deemed 'significant'. The 'significance criterion' is established at Group level, and amounts to EUR 1 million. In terms of individual assessment, the trigger point for impairment is formal classification of an account as exhibiting serious financial problems and where any further deterioration is likely to lead to failure. Two key inputs to the cash-flow calculation are the valuation of all security and collateral and the timing of all asset realizations.

Retail exposure is solely subject to collective assessment, regardless of exposure size.

CEB calculates collective impairment allowances for retail portfolios using the dynamic statistical model, based on analysis of the portfolio's default and recovery rates according to historical data. The same approach is implemented across CEB's entities, with adjustment made in respect of specific local conditions. The methodology was first implemented in 2008 and remained unchanged in 2009. For more information about past due and impaired assets refer to note 38.f. p. 90 of CEB's Financial Statements as of 30 June 2010.

6. Credit Quality

In order to calculate the RWA CEB is using external ratings provided by the eligible credit assessment institutions (ECAIs), namely Moodys, S&P and Fitch.

The ratings provided by ECAIs are aggregated into 6 groups, so called 'credit quality steps' and mapped to the risk weights.

Tables below provide breakdown of credit risk exposure by risk weight.

Table 9 Breakdown of credit risk exposure by risk weight

(31 December 2010)

Risk weight	Exposure value1)	Adjusted Value of Collaterals and other credit enhancements		Exposure, net of collaterals, adjusted for risk substitution effect
		Outflow (-)	Inflow	
0%	2,124,919	-	-	2,124,919
20%	879,072	-	23,121	902,193
35%	623,245	-	-	623,245
50%	758,456	-	81,046	839,502
75%	1,614,864	(104,167)	-	1,510,696
100%	5,208,656	(502,011)	-	4,706,645
150%	54,534	-	-	54,534
Total*	11,263,746	(606,179)	104,167	10,761,734

* Included other credit commitments and contingent liabilities

(31 December 2009)

Risk weight	Exposure value1)	Adjusted Value of Collaterals and other credit enhancements		Exposure, net of collaterals, adjusted for risk substitution effect
		Outflow (-)	Inflow	
0%	1,878,054	-	-	1,943,308
20%	724,118	(236,640)	41,130	528,608
35%	513,896	-	-	513,896
50%	461,156	-	133,294	594,450
75%	1,502,473	(164,095)	-	1,338,378
100%	4,366,686	(165,893)	-	4,372,686
150%	104,401	-	-	104,401
Total*	9,550,784	(566,628)	174,424	9,395,727

* Included other credit commitments and contingent liabilities

7. Credit Risk Mitigation

It is CEB's policy to ensure that the loan extension process is conducted under strong evidence of a customer's ability to repay the loan. Nevertheless, collaterals are actively used for the purposes of credit-risk mitigation. The Transactions and Collateral Management Department is organized as a separate department for collateral management of all types of lending. Transactional lending especially relies heavily upon collaterals and documentation. Valuation reports, survey report updates and insurance policies are followed up systematically. Mainly related to trade finance, Collateral Management Agreements and Collateral Monitoring Agreements are also outsourced to expert collateral management agents who have management and reporting capabilities at the site of the collateral. As a principal, the 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.

Due to the application of Standardized Approach, not all available collaterals can be considered for solvency testing.

Currently CEB applies Financial Collateral Comprehensive Approach to assess the value of collateral for risk mitigation purposes. Under this approach following collaterals are recognized as eligible:

- cash on deposits;
- debt securities issued by central governments or central banks which securities have a credit assessment that is associated with credit quality step 4 or above;
- debt securities issued by institutions
- or other entities which securities have a credit assessment that is associated with credit quality step 3 or above;
- equities or convertible bonds; and
- gold.

In order to reflect the possible fluctuations in the collateral value CEB applies supervisory haircuts set by the Dutch Central Bank.

CEB strictly follows that there is a proper documentation in place which legally enforces the pledge of the collateral to the exposure. Otherwise the collateral is not accepted for risk mitigation purposes. The main documents ensuring that CEB has the right to liquidate collateral in case the customer does not fulfill its credit obligations are Deed of Pledge and Framework Credit Agreements.

The next tables show the carrying amount of collateralized exposure broken down by type of collateral obtained. The distinction is made between collaterals eligible for capital adequacy calculation and other collaterals.

**Table 10 Breakdown of total exposure by type of collateral
(31 December 2010)**

	Central governments and central banks	Institutions	Corporate	Retail	Residential real estate	Past due	Total Exposure
Eligible collateral and other credit enhancements							
Cash collaterals	-	-	360,515	3,460	-	-	363,975
Bank Letter of Guarantee	-	-	2,110	561	-	-	2,671
Insurance applied	-	-	-	102,058	-	-	102,058
Margin accounts	-	-	-	-	-	-	-
Total Eligible Collaterals	-	-	362,625	106,079	-	-	468,704
							-
Other financial collaterals	-	0	82,382	224,304	-	16,041	322,727
Other physical collaterals	-	-	1,429,750	440,225	730,665	141,278	2,741,918
	-	-	-	-	-	-	-
Total Other Collateral	-	0	1,512,132	664,529	730,665	157,319	3,064,645
Collateralized exposure, gross	-	0	1,874,757	770,608	730,665	157,319	3,533,349
Uncollateralized exposure, gross	2,017,579	1,783,999	2,815,214	768,659	(16,600)	118,984	7,487,834
Impairment Allowances (-)	-	(196)	(31,832)	(13,489)	(1,734)	(119,585)	(166,836)
Net Exposure Total	2,017,579	1,783,803	4,658,138	1,525,779	712,330	156,718	10,854,348

(31 December 2009)

	Central governments and central banks	Institutions	Corporate	Retail	Residential real estate	Past due	Total Exposure
Eligible collateral and other credit enhancements							
Cash collaterals	-	-	155,163	-	-	401	155,564
Bank Letter of Guarantee	-	-	7,312	-	-	-	7,312
Insurance applied	-	-	1,073	164,095	-	-	165,168
Margin accounts	-	236,640	-	-	-	-	236,640
Total Eligible Collaterals	-	236,640	163,547	164,095	-	401	564,683
							-
Other financial collaterals	-	-	566,223	132,171	-	19,163	717,556
Other physical collaterals	-	-	1,522,294	424,298	616,244	113,970	2,676,806
	-	-	-	-	-	-	-
Total Other Collateral	-	-	2,088,517	556,468	616,244	133,134	3,394,363
Collateralized exposure, gross	-	236,640	2,252,064	720,563	616,244	133,534	3,959,046
Uncollateralized exposure, gross	2,110,812	991,407	1,830,886	727,982	(24,823)	163,679	5,799,945
Impairment Allowances (-)	-	(3,168)	(42,025)	(22,758)	(213)	(140,043)	(208,207)
Net Exposure Total	2,110,812	1,224,880	4,040,925	1,425,787	591,208	157,170	9,550,784

Besides financial collaterals CEB also accepts unfunded credit protections. These are mainly bank guarantees, insurance, CDS and fiduciary deposits. The risk mitigation in this case is provided by substituting the risk of the direct counterparty by the risk of the issuer (provider) of credit protection.

The credit quality of unfunded credit protections that CEB possesses as of reported periods is shown in the table below:

Table 11 Credit quality of unfunded credit protection

(31 December 2010)

Rating Mapping	Collateral type	
	Letters of guarantees	Insurance
Aaa-Aa3	0	23,121
A1-A3	2,110	78,936
Unrated	0	0
	2,110	102,058

(31 December 2009)

Rating Mapping	Collateral type	
	Letters of guarantees	Insurance
Aaa-Aa3	-	41,130
A1-A3	5,947	124,038
Unrated	1,365	-
	7,312	165,168

8. Counterparty Credit Risk

Counterparty Credit Risk is the risk that the counterparty of a transaction could default before the final settlement of the transaction's cash flows. It arises mainly from the derivative contracts and securities financing. The main sources of counterparty credit risk that CEB regularly faces are currency and interest rate swaps and forwards as well as equity and currency options.

Calculation method for the purpose of capital adequacy reporting

For assessing the extent of counterparty credit risk CEB applies Current Exposure Method (CEM) as laid down in 'Supervisory Regulation on Solvency Requirements for Credit, Market and Operational Risks' dated 11 December 2006.

Under CEM, the exposure value shall be calculated as the sum of the positive current replacement cost per item and the potential future credit exposure. The current replacement cost shall be determined on the basis of the current market value of contracts with positive values. The value of potential future credit exposure regardless of whether the current replacement cost is positive or negative, is the product of the total of the notional principal amounts or of the underlying values and supervisory multiplier which depends on the nature of the product and residual maturity of the contract.

Mitigation of counterparty credit risk

As a part of its normal securities financing and derivatives trading activities, CEB enters into master agreements such as ISDAs, GMRA, accompanied by Collateral Support Annexes (CSAa). Among these agreements, only a few of them make explicit reference to calling additional collaterals in case of CEB's downgrade by one of the established rating agencies.

Risk Management's assessment underlines that –given the current portfolio composition of derivatives- the actual amount that CEB would be required to pledge is insignificant.

Apart of close-out netting agreements CEB attracts also other collaterals for mitigation purposes. These are mostly cash but also debt securities and equity shares issued by a A and above rated counterparties.

Next table shows the effect of the risk mitigation techniques of the counterparty credit risk.

Table 12 Mitigation of the counterparty credit risk

(31 December 2010)

	Institutions	Corporates	Total
Gross positive fair value	83,530	121,947	205,477
Reduction from netting agreements (-)	(11,800)	-	(11,800)
Netted current replacement costs	71,730	121,947	193,677
	-	-	-
Potential future credit exposure	171,289	103,291	274,580
	-	-	-
Total CCR	243,019	225,239	468,257
	-	-	-
Collaterals held (-)	-	(98,492)	(98,492)
	-	-	-
Total CCR net of collaterals	243,019	126,746	369,765

(31 December 2009)

	Institutions	Corporates	Total
Gross positive fair value	98,757	93,053	191,810
Reduction from netting agreements (-)	(49,760)	(12,664)	(62,424)
Netted current replacement costs	48,996	80,389	129,386
	-	-	-
Potential future credit exposure	119,193	55,066	174,259
	-	-	-
Total CCR	168,189	135,456	303,645
	-	-	-
Collaterals held (-)	-	(23,851)	(23,851)
	-	-	-
Total CCR net of collaterals	168,189	111,604	279,793

9. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal and outsourcing risk but excluding business, strategy and reputational risk.

CEB has adopted the Basic indicator Approach for operational risk. As a result the operational risk capital charge is based on the three year average gross income of the Group, multiplied by the exposure indicator of 15%.

The three-year average is calculated on the basis of the year-end audited figures. The gross income includes following items:

- Net interest income;
- Net fee and commission income;
- Results from trading activities.
- Other operating Income

10. Market Risk

Market risk is defined as the current or prospective threat to CEB's earnings and capital as a result of adverse 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 such as 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, CEB has 'minor' risk appetite in market risk.

CEB 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, both standard and internal models.

CEB's risk tolerance in the form of limits is determined to manage market risk efficiently and to keep market risk within these limits. Risk limits, such as VaR limit, notional limits and sensitivity limits, are set by considering the primary risk factors. In case of a limit breach, ALCO is convened to determine strategy and take necessary actions to restore the outstanding exposure to within limits in a certain period of time. CEB measures the market risk of its trading book and the foreign-exchange risk of its banking book using an internal model, based on VaR methodology. VaR defines the maximum loss not exceeded by 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 analyses.

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 Dutch Central Bank.

Other market risks, such as liquidity and interest-rate risk, on the banking book are measured and monitored through sensitivity and gap analyses, detailed in subsequent sections.

Value-at-risk of trading units (2010)	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	2,946	83.21%	3,080	2,318
Maximum	10,595	86.24%	13,966	8,045
Minimum	714	94.15%	896	430
Period-end	1,472	75.69%	1,543	1,042

Value-at-risk of trading units (2009)	Total	Diversification effect	Interest-rate risk	Foreign-exchange risk
Average	8,807	28.35%	8,812	685
Maximum	12,325	2.19%	12,207	394
Minimum	3,890	48.14%	7,356	144
Period-end	5,854	0.88%	5,848	58

11. Interest Rate Risk

CEB defines interest rate risk as the current or prospective risk to earnings and capital arising from adverse movements in interest rates. 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. CEB has a "minor" risk tolerance towards interest rate risk in its banking book.

For the Repricing Gap any mismatch exceeding 15% of the equity, at maturities longer than 6 months, is hedged, unless otherwise approved by ALCO. Treasury and ALCO does closely follow-up the interest-rate sensitivity of each currency on duration basis. For the maturity Gap the consolidated Gap shouldn't be negative for the first 6 months unless otherwise approved by ALCO.

Interest Rate Risk analysis can be found in note 37.k, p. 95 of Annual Report, 31 December 2010.

12. 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 Bank identifies the following items as the key liquidity-risk drivers:

- Withdrawal of deposits: The Bank should withstand a severe meltdown in its non-maturity deposits through deploying its available liquid assets. The severity is defined as a 40% loss in the saving-account balance in a period of one month.
- Erosion in value of liquid assets: The Bank applies a 75% haircut for the securities

that are not eligible for re-financing through the European Central Bank (ECB). The remaining qualifying securities are taken into account after adding nominal 5% on top of the existing haircuts applied by the ECB. The policy also incorporates a scenario of material price drops, which in return further decrease the re-financing capacity.

- Erosion in value of liquid assets: The Bank applies a 75% haircut for the securities that are not eligible for re-financing through the European Central Bank (ECB). The remaining qualifying securities are considered after applying certain haircuts according to their external ratings.
- Additional collateral requirements: The Bank has sensitivity to certain FX parities due to its involvement in swap markets. The Bank might face intensive margin calls from the counterparties if certain FX rates move in the adverse direction. The Bank measures the required liquidity under worse-than-expected FX market conditions.

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 the case of limit excess during a market turmoil, ALCO calls an immediate meeting to discuss options to bring the liquidity to its desired levels. This can include slowing down and/or ceasing to enter into new commitments, selling assets from trading and AFS portfolios, and increasing spreads to attract new long-term funds on the consumer and corporate sides, as defined in the Bank's contingency-funding plan. To mitigate 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 as a result of size and maturity mismatches in 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 predefined maturity bands according to remaining contractual maturity.

CEB has calculated the LCR and NSFR ratios as of 31/12/2010 according to BASEL III liquidity standards. The ratios are well above the proposed thresholds, verifying CEB's strong liquidity position.

Treatment of non-maturity liabilities

CEB's approach to non-maturity liabilities such as saving accounts is as follows: CEB targets withstanding a severe meltdown in its saving accounts deploying its available liquid assets. The severity is defined as a 40% withdraw in the saving account balance in a period of 1 month. The scenario anticipates a fast start in the beginning, i.e. around 11% of the saving accounts is withdrawn in the first week and reaching 40% in one month.

Required one week and one month liquidity

On daily basis the minimum thresholds for one week and one month liquidity are measured and monitored. The one week/month required liquidity is the sum of: 40% of the saving

accounts, the foreign exchange stress impact, liquidity stress impact and the 5-days/10-days trading portfolio 99% value at risk.

The foreign exchange stress is performed by applying the maximum historical adverse return of the FX time series to the FX gross open position for each foreign currency. The highest loss effect is measured as the maximum devaluation of long or short FX position. The final FX impact is the summation of the individual currency impacts.

The liquidity stress is computed by increasing the existing valuation haircuts of the ECB eligible securities to more conservative levels: the first scenario increases them with 5%, while the second scenario doubles the current valuation haircut. The highest decrease in liquidity on portfolio level is picked to be the liquidity stress result.

Maturity gap analysis can be found in note 37.i, p. 92 of Annual Report, 31 December 2010.

ANNEX I: List of Significant Subsidiaries

Credit Europe Bank (Dubai) Ltd
Credit Europe Bank (Suisse) SA
Credit Europe Leasing LLC
Stitching Credit Europe Custodian Services
Walton Maritime SA
Gosport Marine Inc.
Bell Maritime Corporation
CSJC Credit Europe Bank
Credit Europe Leasing LC Russia
Credit Europe Bank (Romania) SA
Credit Europe Bank (Russia) Ltd
Millennium Bank A.Ş.
Ikano Finance Holding BV
Credit Europe Bank Consumer Finance SA