Credit Europe Bank N.V.

Rating Rationale

- Credit Europe Bank N.V.’s (CEB) ratings are based on its intrinsic financial strength. They reflect the bank’s medium size, niche focus and fairly high credit risk as well as management’s ability to react quickly to worsening economic conditions in its main operating markets, good liquidity management and stable results during recent turbulent times.

- Very rapid loan expansion undertaken during 2005-2008 slowed dramatically (up just 3% during the nine months to end-September 2009) as management made efforts to shore up liquidity and reduce credit exposures to higher-risk countries. CEB’s loans are concentrated mainly in Romania (29.4%), Turkey (25.2%), Russia (23.4%) and Ukraine (2%), largely to wholesale customers (61% corporate, 33% retail and 6% SMEs). Concentrations by customer group are not very high, but given the still fragile economic outlook for many of the countries in which CEB operates, credit risk remains fairly high.

- Impaired loans at end-September 2009 reached 4.7% of total loans, 75.5% reserved. In addition, 33.5% of CEB’s impaired loans are secured by tangible collateral (largely real estate), which provides additional comfort.

- Retail deposits, attracted through the internet, provide most funding; their maturity has been lengthening and at Q309 around two-thirds had contractual maturities in excess of one year. Deposits are not concentrated and have proved highly stable throughout periods of stress. Asset-liability management risks are strictly monitored and self-imposed liquidity limits are tough, with stress tests envisaging severe shocks. CEB’s ultimate shareholder is committed to supporting growth. Around USD100m of subordinated loans provided by the shareholder are planned to be converted to Tier 1 capital in Q110, pending regulatory approvals. Given CEB’s risk profile, any weakening of the capital adequacy ratios could lead to negative rating pressure.

Support

- CEB is 98.8% owned by Credit Europe Group (CEG), 100% owned by Fiba Group, a leading Turkish group with significant cash resources and fully owned by Mr Husnu Ozyegin. CEB is strategically important to Fiba Group; Fitch considers the latter’s propensity to provide support, if required, to be extremely high. The probability that such support would be forthcoming cannot be relied on, however, as Fiba Group is not rated by Fitch Ratings.

Key Rating Drivers

- Upside potential for CEB’s ratings will only arise once the bank has demonstrated its ability to grow substantially and reduce exposures to developing countries. CEB’s ratings could suffer a downgrade if the economies where it operates experience material contraction or upheaval, asset quality deteriorates significantly or notable signs of depositor nervousness emerge.

Profile

CEB, established in 1994 as Finansbank (Holland) N.V. and headquartered in Amsterdam, is regulated by the Dutch authorities. It provides worldwide tailor-made trade and commodity finance and retail banking services to around 3 million customers through branches and subsidiaries in the Netherlands, Germany, Belgium, Russia, Romania, Malta, Switzerland, Dubai and Ukraine.
Profile

CEB is 98.8% controlled by CEG, which in turn is fully owned by Turkey-based Fibabanka AS. The remaining 1.2% stake in CEB is owned by senior management. Fibabanka AS is the parent company of Fiba Group’s financial services investments in Turkey and abroad. At end-December 2008 it had assets of USD14.4bn, equity of USD1.56bn and reported net income of USD184m. CEB is by far Fibabanka’s most important investment. Fibabanka AS is part of the Fibabanka Group, founded in 1987 and controlled by Mr Husnu Ozyegin, a prominent banker and businessman. In addition to investments in the financial sector, Fibabanka Group has investments in retail, real estate, energy, port ownership and management, shipbuilding, and private equity. At end-December 2008, Fibabanka Group, which is not a legal entity but a group of companies controlled by the same shareholder, had total assets of USD17.8bn and equity of USD2.9bn. CEB changed its name to its present form in 2007 following the sale of Finansbank, a medium-sized Turkish commercial bank, by Fibabanka Group to the National Bank of Greece.

Entities previously controlled by CEG have gradually come under CEB’s direct control in order to achieve a simpler ownership structure. CEB represents almost 100% of CEG’s assets. CEB has banking subsidiaries in Russia, Romania, Switzerland, Ukraine and Dubai, directly and indirectly held leasing subsidiaries in Russia, Romania and Ukraine, insurance subsidiaries in Russia and Romania and a mortgage subsidiary in Romania. It also has branches in Belgium, Germany and Malta, and representative offices in Istanbul and Shanghai. De Nederlandsche Bank (the Dutch central bank) supervises CEB, Fibabanka (at consolidated and bank levels) and all its operating banking subsidiaries, including carrying out visits to these entities.

Like many European banks, CEB has both a supervisory (six members) and a managing board (a CEO plus four members), both of which are accountable to the majority shareholder. All senior management positions on both boards are filled by Turkish nationals well known to Fibabanka Group, with the exception of the chairman of the supervisory board, who is an independent, experienced Dutch banker. A second independent member is expected to be appointed to the supervisory board by mid-2010. The supervisory board is responsible for overseeing all CEB’s activities, supervising and controlling all matters relating to risk management, audit, control, financial reporting and prudential regulation. Independent audit and risk committees report to the supervisory board, and corporate governance, nomination, remuneration and compliance oversight committees are in place. Although CEB’s shares are not publicly traded, the bank has voluntarily applied many of the best corporate governance practices outlined in the Dutch Corporate Governance Code (Code Tabaksblat). Most members of the managing board have established careers within Fibabanka Group and are jointly responsible for running the bank. Fibabanka Group appointees, formerly members of CEB’s senior management, head CEB’s international subsidiaries.

Business

CEB is a niche player providing tailor-made commodity and trade finance, corporate banking services, and retail banking services in selected emerging markets. It takes deposits largely in EU countries. It employs around 5,100 staff and has 196 branches. Most of its assets and deposits are held in the Netherlands, as illustrated by Table 1 below, which provides details of the relative size of CEB’s operations.

Loans booked in the Netherlands are almost exclusively to corporate clients and commodities traders. Deposits, however, mostly retail and all internet based, are centralised in Netherlands but also collected in Germany, where the group has a call centre, Belgium and Malta. The Swiss bank services corporate and private banking clients. Banking subsidiaries in Russia and Romania also collect retail deposits. The Dubai subsidiary (paid-in capital of USD30m) focuses on providing trade finance to Gulf-based corporate clients, services the group’s Asian clients and

• Niche bank, specialised in trade and commodities finance and committed to retail expansion in selected developing countries
• Difficult short-term prospects, especially in key Russian and Romanian markets, but management quick to expand business in the Turkish market, which it knows well, while decreasing exposures to Russia and Romania
may provide some private banking services in the future. The Malta branch acts mainly as a centre for project finance and marine finance loans. Retail activities are focused in the Netherlands, Germany, Belgium, Romania, Russia and Ukraine; retail loans represent around a third of the consolidated loan portfolio. As part of the Finansbank sale agreement, CEB agreed not to compete for new corporate and retail Turkish business until August 2009; this limitation now being lifted, CEB has renewed contacts with Turkish customers well known to management. Any decision to expand into Turkish retail banking will depend on market conditions.

Table 1: Details of CEB’s Operating Subsidiaries at End-September 09

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Total assets (EURm)</th>
<th>Customer loans (EURm)</th>
<th>Customer deposits (EURm)</th>
<th>No. of employees</th>
<th>No. of customers (000)</th>
<th>No. of branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEB</td>
<td>7,050.0</td>
<td>3,127.2</td>
<td>6,708.0</td>
<td>611</td>
<td>435</td>
<td>4</td>
</tr>
<tr>
<td>CEB Russia</td>
<td>1,339.4</td>
<td>1,015.8</td>
<td>314.1</td>
<td>2,771</td>
<td>2,215</td>
<td>93</td>
</tr>
<tr>
<td>CEB Romania</td>
<td>1,539.9</td>
<td>1,132.8</td>
<td>520.3</td>
<td>1,439</td>
<td>370</td>
<td>90</td>
</tr>
<tr>
<td>CEB Ukraine</td>
<td>171.7</td>
<td>68.5</td>
<td>47.6</td>
<td>209</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>CEB Suisse</td>
<td>537.1</td>
<td>312.4</td>
<td>147.9</td>
<td>53</td>
<td>8.0</td>
<td>1</td>
</tr>
<tr>
<td>CEB Dubai</td>
<td>283.3</td>
<td>192.3</td>
<td>10.4</td>
<td>9</td>
<td>0.8</td>
<td>1</td>
</tr>
<tr>
<td>CEL (leasing) Russia</td>
<td>24.9</td>
<td>18.6</td>
<td>-</td>
<td>25</td>
<td>0.2</td>
<td>Uses CEB Russia branches</td>
</tr>
<tr>
<td>CEL (leasing) Ukraine</td>
<td>19.3</td>
<td>12.4</td>
<td>-</td>
<td>10</td>
<td>0.1</td>
<td>Uses CEB Ukraine branches</td>
</tr>
<tr>
<td>Consolidated CEB</td>
<td>10,267.4</td>
<td>5,552.9</td>
<td>7,700.1</td>
<td>5,127.0</td>
<td>3,026.0</td>
<td></td>
</tr>
<tr>
<td>Source: CEB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Strategy

CEB intends to grow organically, focusing on markets that offer high growth potential. The pace of expansion will depend on economic conditions and management retains a high degree of flexibility in establishing its growth targets, backed by a supportive shareholder. CEB intends to compete on service and retain depositor loyalty through consistently above-average remuneration strategies.

Performance

Although figures are somewhat distorted by the periodic integration of subsidiaries from CEG into the bank (notably the Swiss and Romanian banks in 2007), it is clear that CEB has grown very quickly. High profitability has been supported by wide margins, growing fee income and some more modest foreign exchange-related gains. A breakdown of CEB’s net income by broad geographic region, in Table 2 below, shows the dominance of contributions made by the Netherlands bank (where most Turkish corporate loans and trade-related deals are booked).

Table 2: Breakdown of Net Income for the Nine Months to End-September 2009

<table>
<thead>
<tr>
<th>Region</th>
<th>Net Income (EURm) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Europe (mainly CEB Netherlands)</td>
<td>67</td>
</tr>
<tr>
<td>Eastern Europe (mainly CEB Russia)</td>
<td>17</td>
</tr>
<tr>
<td>Middle East (mainly Dubai)</td>
<td>16</td>
</tr>
<tr>
<td>Total (EURm)</td>
<td>27.7</td>
</tr>
</tbody>
</table>

Source: CEB

Due to CEB’s focus on commercial and retail banking, net interest income dominates results. Margins, which had been rising, reflecting the growing retail loan book, narrowed sharply during 2009, in line with higher funding volumes and rising funding costs, and management’s decision to channel liquidity into safe, but lower-yielding, securities. CEB’s trade and commodities finance loans are tailor made to suit customer needs and the bank aims to compete on service rather than price. Its reputation in this area is well established, client loyalty is being maintained and margins remain healthy. The highest rate paid on retail term (two-year) on-line

- Profitable track record, even throughout current crisis
- Shift into lower-risk liquid assets depressing margins
- Impairment charges rising
deposits during Q409 was 4.25% per year, which is not the highest internet offer available among EU peers.

Fee income is largely retail sourced, although letter of credit fees can be quite large, depending on the volume and complexity of such transactions. “Other operating income” (income statement line 15 on the attached spreadsheet) is mainly composed of FX gains, reflecting rate differences charged by the bank in its retail business (it is common practice, for example in Romania, for loans to be booked in foreign currency but repaid in local currency; as CEB determines the exchange rates used, opportunities to make a spread arise).

Overheads are well controlled and staff numbers were reduced by around 20% in 2009; the cost/income ratio for 9M09 reached 49.5%, which is considered sound for a bank with a retail focus and a branch network that has grown very rapidly. Credit impairment charges, as a percentage of pre-impairment operating profit, are high (67% during 9M09). This does not offer much of a buffer, especially given the geographical spread of the bank’s activities and some customer concentrations. Nevertheless, management has taken steps to reduce credit risks and shift its business mix away from central and eastern Europe and Russia and towards Turkey, which has weathered the current financial and economic crisis fairly well.

Prospects

CEB is a medium-sized bank operating in potentially high-risk markets. The short-term outlook for the development of retail business in Russia, Romania and Ukraine looks very tough, especially in light of rising unemployment, which leads to falling consumer confidence and spending. Fitch believes that a considerable amount of management’s time will have to be spent on loan recovery and restructuring. However, business with Turkish customers provides sounder growth opportunities and the bank’s expertise in trade is well recognised.

CEB’s experienced management team and the bank’s track record are positive factors. Nevertheless, Fitch considers prospects to be far more testing due to the bank’s large credit exposures in developing markets and potential changes in depositor savings patterns due to the continued mistrust and nervousness surrounding the worldwide banking sector. In order to better assess CEB’s credit models and customer performance data, Fitch believes these will have to be tested more fully over time and throughout different economic cycles.

Fiba Group operates in the same developing countries as CEB, with large investments in shopping centres and real estate. Knowledge of these markets is strong group-wide, which helps mitigate some of the risks associated with doing business there. Nevertheless, Fitch considers the geographical spread of CEB’s business to be fairly high risk.

The management team is experienced in dealing with volatile markets and crises, having been at the head of Finansbank group through very testing periods in Turkey’s 2001 banking crisis. This is reassuring. Nevertheless, Fitch believes that CEB, like other niche banks, especially those with emerging market exposures, will continue to face a series of very testing years.

Risk Management

All operating subsidiaries’ daily management operations are autonomous, but since 2007 CEB’s risk management functions have been centralised. Central policies, determined by the managing board, are applicable to all subsidiaries, with control and reporting mechanisms in place at each of these. Policies and procedures are standardised. Limits are approved centrally and each operating subsidiary has a risk manager who reports directly to head office in Amsterdam. IT platforms operate in an integrated manner throughout the international subsidiaries, using “CoreFinans” software, developed by Finansbank and owned jointly by Fiba Group and Finansbank.

- Centralised, hands-on approach for all aspects of risk management
- Credit risk high due to geographic concentrations
- Proven track record of working in volatile environments
The Netherlands bank uses a different package, but migration to CoreFinans is scheduled to be completed by Q110. Risk management committees are held monthly, and the asset-liability management committee (ALCO) meets weekly, as does the corporate credit risk committee.

Policies, guidelines and limits for corporate lending are fairly standardised across the group, adapted to country-specific characteristics. Very few of CEB’s corporate exposures are externally rated. A 12-category internal rating scale is in place. This forms part of all credit approval systems for corporate customers; data at end-Q309 show that 6% of CEB’s consolidated loan portfolio was classified within the highest-risk categories according to the internal rating scale.

CEB uses the standard approach for credit risk assessment under Basel II but data is being collected with a view to moving towards an internal ratings-based approach in the medium term. Limits are established using internal rating categories; in Amsterdam, all approvals for unsecured loans in excess of EUR40m require full approval from the international credit committee. In Russia, approvals are dependent on the outcome of internal rating scores, subject to a EUR4.5m limit for medium-risk customers and EUR9m for low-risk customers. All approvals in excess of EUR9m require input from head office. Retail lending approvals are decentralised. Each subsidiary operates using its own score cards, adapted to reflect the local environment. Credit bureau checks are systematic. All retail approvals in excess of EUR50,000 require a credit committee. Counterparty risk analysis and limits are conducted centrally.

At end-September 2009, the loan portfolio was broken down as shown in Table 3.

### Table 3: Breakdown of Loan Portfolio at End-September 2009

<table>
<thead>
<tr>
<th>Segment</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate customers</td>
<td>59.4</td>
</tr>
<tr>
<td>Private banking clients</td>
<td>1.0</td>
</tr>
<tr>
<td>Leasing</td>
<td>3.1</td>
</tr>
<tr>
<td>SME customers</td>
<td>4.0</td>
</tr>
<tr>
<td>Retail - consumer</td>
<td>20.4</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>12.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: CEB

A further breakdown of the corporate customer book shows working-capital loans at 50.2%, marine finance at 12.4%, project finance at 16.9%, syndicated loans at 6.4%, longer-term transactional lending at 9.8%, leasing at 2.7% and others at 1.6%.

### Table 4: Total Exposure by Country - September 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>19.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>18.5</td>
</tr>
<tr>
<td>Russia</td>
<td>17.7</td>
</tr>
<tr>
<td>Germany</td>
<td>12.1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>11.0</td>
</tr>
<tr>
<td>Ukraine</td>
<td>1.7</td>
</tr>
<tr>
<td>UK</td>
<td>3.6</td>
</tr>
<tr>
<td>Malta</td>
<td>2.1</td>
</tr>
<tr>
<td>USA</td>
<td>2.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.7</td>
</tr>
<tr>
<td>Other</td>
<td>10.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: CEB

A breakdown of on- and off-balance-sheet credit risks by geographical spread shows a high concentration of risks in emerging economies, as detailed in Table 4.
The sectoral breakdown of credit risk (excluding bank placements) shows some concentrations on increasingly risky categories, notably: iron and steel (13.1%); construction (9.3%); shipping (12.7%); commercial real estate (11.7%; of which Russia 26.7% and Romania 56.8%); and tourism (7.3%). Total real estate exposure at end-September 2009 reached 18.3% of consolidated loans, split 59.1% retail (dominated by Romanian mortgages, with average LTV at 62.7%) and 40.9% commercial (average LTV 54.7%), the latter split among offices (14.2%), hotels (10.6%), industrial and warehouses (6.2%), land and non-residential (7.4%), shopping malls (12.3%) and residential development (49.3%).

The top 15 customer exposures at end-September 2009 were equivalent to 12.8% of total loans. Due to CEB’s size, its largest exposures often reach maximum prudential limits, but internal limits mean that the top 10 names cannot exceed 20% of total corporate portfolio exposures, and single-sector limits are established at 15%. More than half of the bank’s loans mature within one year, as expected given the high concentration of trade and working-capital deals. Mortgage and other retail loans are much longer term; loans maturing over five years represent 23.6% of total loans.

By currency, 79.7% of customer loans are denominated in US dollars, euros or Swiss francs, with Russian rouble and Romanian lei loans accounting for most of the rest. Romanian retail borrowers’ practice of borrowing in foreign currencies, while earning in local currencies, means they are exposed to devaluation risks.

Impaired lending within the Romanian retail portfolios is high (around 6.6%). Secured lending (cash collateralised) represented around 4% of total on- and off-balance-sheet exposure at end-June 2009; other collateral backed a further 45% of loans but, excluding mortgage loans, some forms of collateral may offer little comfort (e.g., motor vehicles). Exposures to Dubai arise from indirect lending to a Turkish contractor operating in that country, and are insignificant in relation to the bank’s consolidated equity. Related-party exposure accounts for a modest 1.6% of total loans.

Loan Loss Experience and Reserves
At end-September 2009, impaired loans (90 days overdue), reached 4.7% of total lending. These are almost all concentrated in the retail portfolio; loss experience in the trade finance book has been minimal and within the corporate books impairments appear well contained. The top-20 impaired loans were equivalent to 19.7% of the total impaired portfolio; the largest impaired loan, to a marine finance client, was 1.3% of equity at end-September 2009 but is 61% reserved. Restructured loans were equivalent to 6.8% of loans at end-October 2009, which is rather high.

Securities Portfolio
CEB has no exposure to structured or leveraged products. Derivatives are largely used for hedging currency risk. The securities portfolio is mainly used for liquidity management. At end-September 2009, the bank’s securities book was broken down as follows: 55.4% sovereign and 44.6% private sector. Securities eligible for rediscounting with the European Central Bank (ECB) reached 63.5% of the total securities book. The split of securities is 71% trading, 17% held to maturity and the balance available for sale (AFS). CEB has a small proprietary trading portfolio of EUR495m, dominated by bank bonds. Write-downs on the AFS securities reached EUR4.8m during 9M09.

Market Risk
The group ALCO, which reports to the chief financial officer and the managing board, receives regular information from the ALCO committees at all its operating subsidiary banks. Interest-rate sensitivity and maturity gaps are closely monitored; asset and liability mismatches in differing currencies and maturity buckets must be hedged if they exceed 15% of equity. A 200bp change in interest rates must not
erode equity by more than 5%. VaR (value at risk) in the trading book is limited to EUR13m for a 10-day holding period or 2% of equity, and the average VaR hovers around 1.2% of equity.

Operational Risk
CEB calculates its capital charge for operational risk under Basel II using the basic indicator approach. Statistics are being compiled with a view to moving towards the more sophisticated measures in the medium term. Statistics collected to date indicate the highest incidences of fraud in the Russian and Romanian subsidiaries, but values concerned are small due to the highly fragmented nature of the business in these two countries.

Funding and Liquidity
Management figures show that 75% of deposits are sourced from retail clients; the group’s reliance on the interbank and wholesale funding markets is not significant. CEB looks at funding on a group basis, although the ultimate target is that each subsidiary should be self-sufficient in its funding requirements. This is not the case for the Romanian and Russian subsidiaries, which rely on funding from the parent. However, the Russian subsidiary’s intercompany funding from the parent significantly decreased from EUR479m in H109 to EUR148m at end-October 2009. Retail deposits are sourced mainly in Germany (49%) and the Netherlands (32%). Deposits are not concentrated, with the 20 largest depositors representing a low 2.03% of total customer funding at end-September 2009. Related-party funding accounts for 3% of customer funding. Securities eligible for rediscount at the ECB total around EUR1.5bn; at Q309 pledged securities reached EUR600m.

Subordinated debt issues, subscribed by the shareholder, have final maturities extending to 2018. CEB plans to convert USD100m into Tier 1 capital by end-Q110. Bonds maturing in H110 total around EUR200m. The bank raised two-year syndicated loans of EUR100m and USD125m in July 2008; as expansion is not being scaled back, securing additional medium-term funding is not considered a priority.

CEB is entitled to participate in the measures announced by Dutch authorities to restore stability in the financial system. However, the bank has not made use of any such facilities. Preserving liquidity has been a major focus for management since mid-2008 and efforts to build up immediately liquid assets (cash, bank placements and repoable securities) have been considerable.

Deposit stability has been a continuous focus; by end-2009, management’s self-imposed objective of holding sufficient immediate liquidity to repay 40% of customer deposits overnight had been achieved. According to CEB’s limits, wholesale funding must not exceed 40% of total funding; the top 10 depositors cannot exceed 10% of total customer funding; the consolidated cumulative maturity mismatches must be positive for six months (even after assuming that 50% of savings deposits will be lost overnight).

Average deposit values are low and all CEB NV’s retail deposits are covered by the Dutch depositor guarantee scheme (up to a maximum of EUR100,000); this guarantee has been extended by the Dutch government to end-2010. CEB deliberately discouraged more volatile corporate deposits, lowering rates paid for deposits above EUR100,000. Maturities of deposits have been extended; two-thirds of deposits matured in more than one year and deposits with maturities over two years represent around 35% of total retail deposits. There are no maturity gaps on cumulative basis. Although deposits are now longer term, there is nothing to ensure that depositors would not break the terms of their deposits under extreme stress scenarios. However, this is the case for most banks around the world, and CEB’s deposits proved stable during 2008 and 2009.
Capital

CEB’s shareholder approves and supports its growth plans, injecting fresh capital as required (2007: EUR65m; H108: EUR75m and a further EUR25m of Tier II instruments provided in October 2008). The conversion of subordinated debt by Q110 has already been referred to in Funding and Liquidity above. CEB’s policy is not to pay dividends to CEG (only minimal amounts to service debt at CEG). Double leverage is not an issue for the group because debt issued by CEG is minimal (USD32m) and is not used to capitalise subsidiaries. Due to CEB’s risk profile, any decline in the bank’s capital adequacy ratios could lead to negative rating pressure.
# Credit Europe Bank N.V.

## Income Statement

**January 2010**

### 9 Months - 3rd Quarter

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UERm</strong> Original</td>
<td><strong>EURm</strong> Original</td>
<td><strong>As % of</strong></td>
<td><strong>As % of</strong></td>
<td><strong>As % of</strong></td>
</tr>
<tr>
<td>Pre-tax Profit</td>
<td>176.2</td>
<td>120.3</td>
<td>1.80</td>
<td>74.3</td>
</tr>
<tr>
<td>Total Non-interest Operating Income</td>
<td>137.6</td>
<td>94.0</td>
<td>1.41</td>
<td>157.8</td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>126.2</td>
<td>86.2</td>
<td>1.29</td>
<td>127.1</td>
</tr>
<tr>
<td>Other Operating Income</td>
<td>18.9</td>
<td>15.2</td>
<td>0.22</td>
<td>17.5</td>
</tr>
<tr>
<td>Total Non-interest Expenses</td>
<td>263.9</td>
<td>180.2</td>
<td>2.70</td>
<td>284.9</td>
</tr>
<tr>
<td>Pre-Impairment Operating Profit</td>
<td>89.8</td>
<td>65.3</td>
<td>0.92</td>
<td>101.3</td>
</tr>
<tr>
<td>Equity-accounted Profit / Loss - Operating</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Loan Impairment Charge</td>
<td>179.2</td>
<td>122.4</td>
<td>1.83</td>
<td>148.0</td>
</tr>
<tr>
<td>Securities and Other Credit Impairment Charges</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>89.8</td>
<td>65.3</td>
<td>0.92</td>
<td>101.3</td>
</tr>
<tr>
<td>Equity-accounted Profit / Loss - Non-operating</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-operating Income</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-operating Expense</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Change in Fair Value of Own Debt</td>
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<td>49.3</td>
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<td>-39.7</td>
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| Exchange rate | USD1 = EURO 0.68292 | USD1 = EUR 0.71855 | USD1 = EURO 0.67930 | USD1 = EURO 0.75930 |
Credit Europe Bank N.V.

Balance Sheet

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<tr>
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<tbody>
<tr>
<td>USDm</td>
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<td>USDm</td>
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<tr>
<td><strong>Assets</strong></td>
<td><strong>Assets</strong></td>
<td><strong>As %</strong></td>
<td><strong>Assets</strong></td>
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<td><strong>A. Loans</strong></td>
<td><strong>A. Loans</strong></td>
<td><strong>As %</strong></td>
<td><strong>A. Loans</strong></td>
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<tr>
<td>1. Residential Mortgage Loans</td>
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<td>2. Other Mortgage Loans</td>
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<td>3. Other Consumer / Retail Loans</td>
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<td>4. Corporate &amp; Commercial Loans</td>
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<td>5. Other Loans</td>
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<td>6. Less: Reserves for Impaired Loans/ NPLs</td>
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<td>1.67</td>
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<td><strong>B. Net Loans</strong></td>
<td>8,131.1</td>
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<td><strong>C. Non-Earning Assets</strong></td>
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<td>9. Memo: Impaired Loans included above</td>
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<td>1.82</td>
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<td>10. Memo: Loans at Fair Value included above</td>
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<td>-</td>
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<td><strong>D. Interest-Bearing Liabilities</strong></td>
<td><strong>D. Interest-Bearing Liabilities</strong></td>
<td><strong>As %</strong></td>
<td><strong>D. Interest-Bearing Liabilities</strong></td>
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<td><strong>B. Total Liabilities</strong></td>
<td><strong>B. Total Liabilities</strong></td>
<td><strong>As %</strong></td>
<td><strong>B. Total Liabilities</strong></td>
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<td><strong>C. Non-Earning Assets</strong></td>
<td><strong>C. Non-Earning Assets</strong></td>
<td><strong>As %</strong></td>
<td><strong>C. Non-Earning Assets</strong></td>
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<td><strong>D. Interest-Bearing Liabilities</strong></td>
<td><strong>D. Interest-Bearing Liabilities</strong></td>
<td><strong>As %</strong></td>
<td><strong>D. Interest-Bearing Liabilities</strong></td>
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<td><strong>E. Non-Interest Bearing Liabilities</strong></td>
<td><strong>E. Non-Interest Bearing Liabilities</strong></td>
<td><strong>As %</strong></td>
<td><strong>E. Non-Interest Bearing Liabilities</strong></td>
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<td><strong>As %</strong></td>
<td><strong>F. Equity</strong></td>
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<td><strong>G. Other Earning Assets</strong></td>
<td><strong>G. Other Earning Assets</strong></td>
<td><strong>As %</strong></td>
<td><strong>G. Other Earning Assets</strong></td>
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<td><strong>H. Earnings at Call</strong></td>
<td><strong>H. Earnings at Call</strong></td>
<td><strong>As %</strong></td>
<td><strong>H. Earnings at Call</strong></td>
</tr>
</tbody>
</table>

**Liabilities and Equity**

| **Liabilities and Equity**  | **Liabilities and Equity**| **As %**    | **Liabilities and Equity**| **As %**    | **Liabilities and Equity**| **As %**    | **Liabilities and Equity**| **As %**    |
| **I. Interest-Bearing Liabilities**  | **I. Interest-Bearing Liabilities**| **As %**    | **I. Interest-Bearing Liabilities**| **As %**    | **I. Interest-Bearing Liabilities**| **As %**    | **I. Interest-Bearing Liabilities**| **As %**    |
| **J. Non-Interest Bearing Liabilities**  | **J. Non-Interest Bearing Liabilities**| **As %**    | **J. Non-Interest Bearing Liabilities**| **As %**    | **J. Non-Interest Bearing Liabilities**| **As %**    | **J. Non-Interest Bearing Liabilities**| **As %**    |

Exchange rate

USD1 = €0.62/92
USD1 = €1.000000
USD1 = €0.87/68
**Credit Europe Bank N.V.**

**Summary Analytics**

---|---|---|---
**%** | **%** | **%** | **%**

### A. Interest Ratios

1. Interest Income on Loans/ Average Gross Loans
   - 9 Months - 3rd Quarter: 12.38%
   - Year End: 14.28%
   - Year End: 10.90%
   - Year End: 12.97%

2. Interest Expense on Customer Deposits/ Average Customer Deposits
   - 9 Months - 3rd Quarter: 3.77%
   - Year End: 5.41%
   - Year End: 4.07%
   - Year End: 3.63%

3. Interest Income/ Average Earning Assets
   - 9 Months - 3rd Quarter: 13.12%
   - Year End: 15.22%
   - Year End: 9.89%
   - Year End: 8.62%

4. Interest Expense/ Average Interest-bearing Liabilities
   - 9 Months - 3rd Quarter: 8.18%
   - Year End: 8.54%
   - Year End: 5.65%
   - Year End: 4.70%

5. Net Interest Income/ Average Earning Assets
   - 9 Months - 3rd Quarter: 3.91%
   - Year End: 6.34%
   - Year End: 4.50%
   - Year End: 4.17%

   - 9 Months - 3rd Quarter: 1.95%
   - Year End: 4.31%
   - Year End: 3.58%
   - Year End: 3.03%

### B. Other Operating Profitability Ratios

1. Non-Interest Income/ Gross Revenues
   - 9 Months - 3rd Quarter: 33.05%
   - Year End: 13.88%
   - Year End: 18.03%
   - Year End: 19.81%

2. Non-Interest Expense/ Gross Revenues
   - 9 Months - 3rd Quarter: 49.51%
   - Year End: 53.23%
   - Year End: 54.20%
   - Year End: 52.48%

3. Non-Interest Expense/ Average Assets
   - 9 Months - 3rd Quarter: 2.37%
   - Year End: 3.44%
   - Year End: 2.82%
   - Year End: 2.59%

4. Pre-impairment Op. Profit/ Average Equity
   - 9 Months - 3rd Quarter: 37.77%
   - Year End: 43.12%
   - Year End: 36.09%
   - Year End: 34.47%

5. Pre-impairment Op. Profit/ Average Total Assets
   - 9 Months - 3rd Quarter: 2.42%
   - Year End: 3.02%
   - Year End: 2.39%
   - Year End: 2.35%

   - 9 Months - 3rd Quarter: 66.65%
   - Year End: 59.53%
   - Year End: 39.53%
   - Year End: 46.14%

7. Operating Profit/ Average Equity
   - 9 Months - 3rd Quarter: 12.60%
   - Year End: 17.45%
   - Year End: 21.82%
   - Year End: 18.57%

8. Operating Profit/ Average Total Assets
   - 9 Months - 3rd Quarter: 0.81%
   - Year End: 1.22%
   - Year End: 1.64%
   - Year End: 1.27%

9. Taxes/ Pre-tax Profit
   - 9 Months - 3rd Quarter: 26.10%
   - Year End: 26.36%
   - Year End: 29.77%
   - Year End: 29.13%

### C. Other Profitability Ratios

1. Net Income/ Average Total Equity
   - 9 Months - 3rd Quarter: 9.31%
   - Year End: 12.85%
   - Year End: 15.32%
   - Year End: 13.16%

2. Net Income/ Average Total Assets
   - 9 Months - 3rd Quarter: 0.60%
   - Year End: 0.90%
   - Year End: 1.01%
   - Year End: 0.90%

3. Fitch Comprehensive Income/ Average Total Equity
   - 9 Months - 3rd Quarter: -2.20%
   - Year End: 6.91%
   - Year End: 11.28%
   - Year End: 7.75%

4. Fitch Comprehensive Income/ Average Total Assets
   - 9 Months - 3rd Quarter: -0.14%
   - Year End: 0.48%
   - Year End: 0.75%
   - Year End: 0.53%

5. Net Income/ Av. Total Assets plus Av. Managed Assets
   - 9 Months - 3rd Quarter: 0.60%
   - Year End: n.a.
   - Year End: n.a.
   - Year End: n.a.

### D. Capitalization

1. Fitch Eligible Capital/ Regulatory Weighted Risks
   - 9 Months - 3rd Quarter: 9.07%
   - Year End: 8.92%
   - Year End: 8.64%
   - Year End: 8.88%

2. Tangible Common Equity/ Tangible Assets
   - 9 Months - 3rd Quarter: 6.06%
   - Year End: 6.72%
   - Year End: 6.44%
   - Year End: 6.65%

3. Tangible Common Equity/ Total Business Volume
   - 9 Months - 3rd Quarter: 5.47%
   - Year End: 5.89%
   - Year End: 5.86%
   - Year End: 5.75%

4. Tier 1 Regulatory Capital Ratio
   - 9 Months - 3rd Quarter: 8.89%
   - Year End: 9.09%
   - Year End: 8.40%
   - Year End: 8.05%

5. Total Regulatory Capital Ratio
   - 9 Months - 3rd Quarter: 12.07%
   - Year End: 12.31%
   - Year End: 12.46%
   - Year End: 11.15%

6. Fitch Eligible Capital/ Tier 1 Regulatory Capital
   - 9 Months - 3rd Quarter: n.a.
   - Year End: 97.32%
   - Year End: 103.04%
   - Year End: 110.33%

7. Equity/ Total Assets
   - 9 Months - 3rd Quarter: 6.31%
   - Year End: 7.03%
   - Year End: 6.53%
   - Year End: 6.74%

8. Cash Dividends Paid & Declared/ Net Income
   - 9 Months - 3rd Quarter: 0.00%
   - Year End: 0.00%
   - Year End: 27.38%
   - Year End: 75.00%

9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income
   - 9 Months - 3rd Quarter: 0.00%
   - Year End: 0.00%
   - Year End: 37.19%
   - Year End: 127.33%

10. Net Income - Cash Dividends/ Total Equity
    - 9 Months - 3rd Quarter: 9.34%
    - Year End: 11.12%
    - Year End: 9.30%
    - Year End: 3.82%

### E. Loan Quality

1. Growth of Total Assets
   - 9 Months - 3rd Quarter: 7.62%
   - Year End: 61.83%
   - Year End: 53.60%
   - Year End: 43.47%

2. Growth of Gross Loans
   - 9 Months - 3rd Quarter: 4.09%
   - Year End: 57.96%
   - Year End: 47.94%
   - Year End: 77.86%

3. Impaired Loans(NPLs)/ Gross Loans
   - 9 Months - 3rd Quarter: 4.66%
   - Year End: 3.30%
   - Year End: 2.45%
   - Year End: n.a.

4. Reserves for Impaired Loans / Gross loans
   - 9 Months - 3rd Quarter: 1.52%
   - Year End: 2.89%
   - Year End: 1.84%
   - Year End: 2.02%

5. Reserves for Impaired Loans / Impaired Loans
   - 9 Months - 3rd Quarter: 75.51%
   - Year End: 87.71%
   - Year End: 75.23%
   - Year End: n.a.

6. Impaired Loans less Reserves for Imp Loans / Equity
   - 9 Months - 3rd Quarter: 10.13%
   - Year End: 3.34%
   - Year End: 5.51%
   - Year End: 18.53%

7. Loan Impairment Charges/ Average Gross Loans
   - 9 Months - 3rd Quarter: 2.91%
   - Year End: 2.93%
   - Year End: 1.45%
   - Year End: 1.91%

8. Net Charge-offs/ Average Gross Loans
   - 9 Months - 3rd Quarter: n.a.
   - Year End: n.a.
   - Year End: 0.76
   - Year End: 0.95

9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets
   - 9 Months - 3rd Quarter: 4.66%
   - Year End: 3.30%
   - Year End: 2.45
   - Year End: n.a.

### F. Funding

1. Loans/ Customer Deposits
   - 9 Months - 3rd Quarter: 74.75%
   - Year End: 81.29%
   - Year End: 88.55
   - Year End: 84.19

2. Interbank Assets/ Interbank Liabilities
   - 9 Months - 3rd Quarter: 54.64%
   - Year End: 77.51
   - Year End: 272.52
   - Year End: 365.81
### A. Off-Balance Sheet Items

1. Managed Securitized Assets - Reported Off-Balance Sheet
   - 30 Sep 2009: 0.0
   - 31 Dec 2008: 0.0
   - 31 Dec 2007: 0.0
   - 31 Dec 2006: 0.0

2. Other off-balance sheet exposure to securitizations
   - 30 Sep 2009: 0.0
   - 31 Dec 2008: 0.0
   - 31 Dec 2007: 0.0
   - 31 Dec 2006: 0.0

3. Guarantees
   - 30 Sep 2009: 422.9
   - 31 Dec 2008: 288.8
   - 31 Dec 2007: 272.2
   - 31 Dec 2006: 2.85

4. Acceptances and documentary credits reported off-balance sheet
   - 30 Sep 2009: n.a.
   - 31 Dec 2007: 12.7
   - 31 Dec 2006: 0.13

5. Committed Credit Lines
   - 30 Sep 2009: 556.3
   - 31 Dec 2008: 379.9
   - 31 Dec 2007: 370.5
   - 31 Dec 2006: 2.00

6. Other Contingent Liabilities
   - 30 Sep 2009: 590.3
   - 31 Dec 2008: 403.1
   - 31 Dec 2007: 349.8

### B. Average Balance Sheet

1. Net Income
   - 30 Sep 2009: 2.84
   - 31 Dec 2008: 2.83
   - 31 Dec 2007: 2.85

2. Add: Preferred Stock Dividend
   - 30 Sep 2009: n.a.

3. Add: Hybrid Capital accounted for as Equity
   - 30 Sep 2009: - 0.24
   - 31 Dec 2008: - 9.2
   - 31 Dec 2007: - 7.0
   - 31 Dec 2006: - 12.0

### C. Maturities

<table>
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<tr>
<th>Asset Maturities</th>
<th>9 Months - 3rd Quarter</th>
<th>9 Months - 3rd Quarter</th>
<th>As % of Assets</th>
<th>Year End</th>
<th>As % of Assets</th>
<th>Year End</th>
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<tr>
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<td>Original</td>
<td>USD$m</td>
<td>EUR$m</td>
<td>Original</td>
<td>USD$m</td>
<td>EUR$m</td>
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</tr>
<tr>
<td>Loans &amp; Advances - 3 months</td>
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<td>n.a.</td>
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</tr>
</tbody>
</table>

### D. Net Income Reconciliation

1. Net Income
   - 30 Sep 2009: 68.3
   - 31 Dec 2008: 45.3
   - 31 Dec 2007: 0.44
   - 31 Dec 2006: 74.6

2. Add: Preferred Stock Dividend
   - 30 Sep 2009: 0.0
   - 31 Dec 2008: 0.0
   - 31 Dec 2007: 0.0
   - 31 Dec 2006: 0.0

3. Add: Hybrid Capital accounted for as Equity
   - 30 Sep 2009: 0.0
   - 31 Dec 2008: 0.0
   - 31 Dec 2007: 0.0
   - 31 Dec 2006: 0.0

4. Add: Other Non-Operating Income
   - 30 Sep 2009: n.a.

Exchange Rate

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<th>USD</th>
<th>EUR</th>
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<td>1 USD</td>
<td>0.70930 EUR</td>
</tr>
<tr>
<td>1 USD</td>
<td>0.70930 EUR</td>
</tr>
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</table>

Total Business Volume

- 30 Sep 2009: 16,404.0
  - 31 Dec 2008: 15,339.2
  - 31 Dec 2007: 14,844.6
  - 31 Dec 2006: 10,844.6

109.74%