

# Press release: Annual results 2009

Amsterdam, 4 March 2010

**Fortis Bank Nederland**

## Net profit EUR 406 million

Fortis Bank Nederland posted a net profit of EUR 406 million in 2009. The net profit was positively impacted by exceptional items, leaving a net operating profit of EUR 27 million. The bank successfully embarked on rebuilding its risk and treasury activities in 2009 and made good progress in selectively rebuilding its international network. All businesses suffered from the negative impact of challenging markets, high funding costs, high impairments and costs for separation and preparing for integration.

### Key developments

- § Net profit came to EUR 406 million in 2009 with a net operating profit of EUR 27 million.
- § Changes in impairments in 2009 remained high at EUR 412 million excluding exceptional items.
- § The quality of capital and capital ratios improved significantly due to the debt-to-equity conversion, at the end of 2009. The year-end reported solvency ratio stood at 16.7% and the reported Tier 1 ratio was 12.5% under Basel II (80% transitional floor).
- § Clients showed faith in the bank, as reflected by an increase in client deposits of roughly EUR 5 billion in 2009, adjusted for deposits from the Dutch State.
- § The volume of loans granted to customers increased by EUR 636 million or 0.5% in 2009, despite substantial repayments by corporate clients.
- § The short-term funding facility of EUR 34 billion granted by the Dutch State in October 2008 was fully repaid and refinanced in the market in the first half of 2009, ahead of schedule.
- § Market access increased significantly in 2009. The amount of funds raised in the wholesale market (money markets and commercial paper) increased to EUR 26.1 billion in December 2009 from EUR 12 billion in December 2008.
- § De Nederlandsche Bank (DNB) confirmed the bank's advanced Basel II status.
- § Several restructurings took place in 2009. Intertrust Group and ASR Bank were divested. The legal structure of the bank was simplified with the completion of the legal merger between Fortis Bank (Nederland) N.V. and Fortis Bank Nederland (Holding) N.V. Fortis Hypotheekbank became a subsidiary of Direktbank and the bank also announced it was in exclusive negotiations regarding the sale of Prime Fund Solutions.
- § Separation from Fortis Bank SA/NV on schedule and preparations for the integration with ABN AMRO, in accordance with the plans for the combined bank, are well on track.
- § Total expenses were well under control and decreased by 9% to EUR 1,827 million.

Key figures can be found in the appendices to this press release. More extensive information can be found in the 'Consolidated Financial Statements 2009' which will be available on [www.fortis.nl](http://www.fortis.nl), as from Thursday 4 March in the afternoon.

Jan van Rutte, Chairman of the Board of Fortis Bank Nederland:

“While financial markets improved in 2009, the economic climate in the Netherlands, Europe and many countries outside Europe remained fragile. Some sectors recovered more robustly than others. Sovereign worries caused by large government budget deficits are likely to affect future public spending. Meanwhile, markets are still contending with setbacks like disappointing growth rates and rising unemployment figures. Despite the fact that these and other events inevitably had an impact on Fortis Bank Nederland’s operations, we managed to make good progress in successfully rebuilding our organisation.

#### 2009 results

Under challenging circumstances, Fortis Bank Nederland posted a net profit of EUR 406 million. The net operating result – adjusted for two exceptional items – was a modest profit of EUR 27 million. The results were severely impacted by a mixture of higher funding costs, credit impairments, lower volumes on stock exchanges and our ongoing separation efforts and integration preparations. The adverse market, pressure on margins and high impairments had a negative impact on the results of all our businesses. Lower expenses and the sale of Intertrust Group made a positive contribution to the operating profit.

#### Achievements

Although – like the rest of the market – our profitability was under pressure, we made improvements in several areas which helped bolster the position of Fortis Bank Nederland as a stand-alone bank and as a solid partner in the upcoming integration with ABN AMRO. Meanwhile, all businesses met stringent requirements in order to reduce the bank’s risk profile, optimised the use of scarce financial resources and staff, and carried out various separation projects. Costs remained well under control.

Taking into account the difficult circumstances of 2009, our businesses performed well. Retail Banking reported a healthy increase in the level of deposits and MeesPierson Private Banking saw a net inflow of assets under management. Merchant Banking was involved in various secured syndicated loan facilities and in several important equity and debt capital market transactions. Moreover, we were involved in a growing number of restructurings of corporate loans.

The new Treasury department was successful in refinancing – ahead of schedule – the EUR 34 billion short-term debt facility granted by the Dutch State and launching new funding programmes to improve the bank’s short- and long-term liquidity and funding profiles. Furthermore, De Nederlandsche Bank confirmed the bank’s advanced Basel II status, recognising the hard work we put into setting up our renewed Risk organisation on a stand-alone basis.

We strengthened the international network by opening branches and representative offices in Singapore, London and Dubai and we are applying for licences in New York, Shanghai and Sao Paulo. In August, Fortis Bank Nederland acquired Fortis Clearing Americas from Fortis Bank SA/NV, completing our worldwide Brokerage, Clearing & Custody network.

At the end of December 2009, the quality of our capital position improved significantly thanks to the conversion of EUR 1.35 billion of Tier 2 instruments into Tier 1 capital by the shareholder, the Dutch State.

Several restructurings were completed in 2009, including the legal merger between Fortis Bank (Nederland) N.V. and Fortis Bank Nederland (Holding) N.V. that simplified our legal structure and the divestments of Intertrust Group and ASR Bank. In December 2009 we announced that we had entered into exclusive negotiations regarding the sale of Prime Fund Solutions. The separation from Fortis Bank SA/NV is well on track. Meanwhile, we also made good progress in preparing for the upcoming integration with ABN AMRO.

Despite all these developments, our staff met the challenge of maintaining their focus on business as usual, continuing to provide our clients – from consumer to multinational – with the high standard of service they have always received. On behalf of all members of the Management Board, I would like to express my sincere gratitude for the commitment and hard work of our employees in this demanding period and thank our clients for their loyalty and trust.

#### Changing environment

The financial crisis will change the environment in which banks operate. A series of discussions took place in 2009 ranging from more stringent regulatory framework and capital requirements to a demand for codes governing risk appetite, remuneration and sustainability of activities. Fortis Bank Nederland acknowledges the importance of this dialogue and the ensuing changes and, where possible, also participates in discussions through intense cooperation with the Netherlands Bankers' Association (Nederlandse Vereniging van Banken).

#### 2010

As in 2009, the bank's top priority in 2010 will be to focus on serving clients well, by offering products and services that meet their needs. In the consumer market – especially in Private Banking – we expect to benefit from regained trust and client confidence, leading to a rise in savings and deposits and assets under management. In the corporate market, we foresee further growth of the loan book.

The announced merger and integration with ABN AMRO will be a major endeavour in 2010. We expect the next step in the integration to be taken in the second quarter of 2010, when Fortis Bank Nederland and ABN AMRO are expected to become direct subsidiaries of ABN AMRO Group N.V., the holding company newly established by the Dutch State. The overall timelines for the actual integration will vary from business to business, with the largest part expected to be finalised in 2012.

We expect to finalise the remaining technical separation from our former parent company in 2010 and will continue to work hard on improving the bank's funding profile. Our recent senior unsecured bond issue of EUR 4 billion with maturities of two and five years underpins this effort."

## 1. Net profit

The 2009 net profit of EUR 406 million was positively impacted by two exceptional gains. The cash settlement of Fortis Capital Company Ltd. (FCC) resulted in a capital gain of EUR 362.5 million net of tax. In addition, EUR 16 million net of tax was recovered from the Madoff investment fraud.

## 2. Net operating profit

Net operating profit decreased to EUR 27 million in 2009. In 2008 the net operating profit of EUR 604 million was predominantly realised in the first half of the year, prior to the start of the crisis. The 2009 net operating profit was negatively impacted by lower net operating income excluding exceptional items (down 36.4%) and higher impairment costs (up 24.5%). Positive developments such as the profit on the sale of Intertrust Group (EUR 81 million net of tax) and lower expenses (down 9.1%) – despite provisions relating to the bankruptcy of DSB Bank (EUR 15 million net of tax) and separation and integration costs (EUR 66 million net of tax) – reduced the decline in operating profit.

Net operating income excluding exceptional items declined 36.4% due to:

- High funding costs for savings and issued debt which could not be recovered in full by adjusting pricing on products led to a lower net interest income, which came down from EUR 1,584 million in 2008 to EUR 1,150 million in 2009, partly due to market conditions and restrictions – primarily in the first half of 2009 – on liquidity and solvency;
- lower net commissions and fee income, which fell from EUR 823 million in 2008 to EUR 724 million in 2009, suffering from markets which have not fully recovered, therefore depressing trade volumes and assets under management.

Total expenses came down by 9.1% to EUR 1,827 million in 2009 from EUR 2,010 million in 2008. The decrease in costs was mainly due to separation and tight cost control.

The cost/income ratio rose to 84.2% in 2009 from 64.9% in 2008, due to a sharp decline in operating income (down 29.9%). Although costs also decreased (down 9.1%), this was not enough to offset the drop in income.

The changes in impairments remained high in 2009. All business lines saw the change in impairments increase to EUR 412 million in 2009 compared with EUR 331 million in 2008 (both excluding exceptional items).

## Net operating profit per business

Retail Banking and Merchant Banking made positive contributions to net profit, while Private Banking incurred a small net loss. All businesses suffered in 2009 from lower net income and higher impairments compared with 2008.

Table: net operating profit per business

	<i>2009</i>					
	<i>Retail Banking</i>	<i>Private Banking</i>	<i>Merchant Banking</i>	<i>Other Banking</i>	<i>Eliminations</i>	<i>Total Banking</i>
Total operating income	789	124	1,251	29	( 22 )	2,171
Change in impairments	( 111 )	( 17 )	( 282 )	( 2 )		( 412 )
Net operating income	678	107	969	27	( 22 )	1,759
Total expenses	( 579 )	( 124 )	( 993 )	( 153 )	22	( 1,827 )
Net operating profit	89	( 11 )	46	( 97 )		27
Exceptional items			16	363		379
Net profit attributable to shareholders	89	( 11 )	62	266		406

	<i>2008</i>					
	<i>Retail Banking</i>	<i>Private Banking</i>	<i>Merchant Banking</i>	<i>Other Banking</i>	<i>Eliminations</i>	<i>Total Banking</i>
Total operating income	981	216	1,737	173	( 11 )	3,096
Change in impairments	( 77 )	( 2 )	( 243 )	( 9 )		( 331 )
Net operating income	904	202	1,496	163	( 11 )	2,765
Total expenses	( 631 )	( 172 )	( 922 )	( 296 )	11	( 2,010 )
Net operating profit	220	38	448	( 102 )		604
Exceptional items		( 11 )	( 911 )	( 18,168 )		( 19,090 )
Net profit attributable to shareholders	220	27	( 463 )	( 18,270 )		( 18,486 )

### Retail Banking

Retail Banking recorded a net operating profit of EUR 89 million in 2009, down from EUR 220 million in 2008. This figure was negatively impacted by a decrease in operating income caused by high funding costs and shrinking margins on savings and deposits due to fierce competition on the savings market. Costs were under control and came down by EUR 52 million or 8% compared with 2008, thanks to lower staff costs and lower overhead charges. The level of changes in impairments increased from EUR 77 million in 2008 to EUR 111 million in 2009. Restored trust in the bank led to an inflow of savings in 2009.

### Private Banking

MeesPierson Private Banking posted a small net operating loss of EUR 11 million in 2009. The net result was affected by fierce competition for savings, an increase in impairments from EUR 2 million in 2008 to EUR 17 million in 2009, high funding expenses for credit activities and a decrease in commissions and fees as a result of the current fragile markets. Despite the costs incurred in the separation from Fortis Bank SA/NV, costs decreased thanks to tight cost control and a transfer of activities in 2008. Assets under management increased by 9.0% to EUR 25.6 billion, benefiting from regained client trust, improving financial markets and a positive net inflow.

## Merchant Banking

Merchant Banking posted a net operating profit of EUR 46 million. The result was substantially lower than the 2008 net operating result of EUR 448 million, due to lower operating income, higher impairments and higher costs. Markets, the Intertrust Group and Energy, Commodities & Transportation (ECT) contributed positively to Merchant Banking's result, which was partly offset by unfavourable mark-to-market revaluations in the private equity portfolio and impairments in the commercial and corporate loan book.

The divestment of Intertrust Group resulted in a capital gain of EUR 81 million. The expected sale of Prime Fund Solutions was announced in December 2009. Comprehensive refinancing solutions and capital market transactions offered to prominent Dutch listed corporates confirm the bank's client focus and ability to devise professional solutions.

## Other

The net profit reported under 'Other' came to EUR 266 million in 2009, due to an exceptional profit of EUR 363 million in relation to the cash settlement of Fortis Capital Company Ltd. (FCC). 'Other' posted a net operating loss of EUR 97 million, mainly costs for separation and preparations for integration and activities that are recognised at bank level rather than being allocated to a specific business.

## 3. Balance sheet, funding, capital and risk management

The consolidated balance sheet can be found in appendix 2.

Total assets grew by EUR 5.6 billion to EUR 189.8 billion on 31 December 2009. The increase is accounted for by movements in amounts due from customers and banks and assets held for trading.

Total client deposits, adjusted for deposits received from the Dutch State, increased by approximately EUR 5 billion or 10.0% in 2009.

Fortis Bank Nederland has no investments in United States mortgage-related investment products or collateralised debt obligations (CDOs).

Most exposures are either fully or partially asset backed.

## Funding

In 2009, Fortis Bank Nederland focused on stabilising the bank's liquidity and funding positions. Several new funding programmes were launched, allowing the bank to issue debt certificates in different segments in money markets and capital markets. These funding programmes and the increases in savings and deposits among retail, private, corporate and institutional clients made it possible for the bank to refinance – ahead of schedule - the short-term loan facility of EUR 34 billion from the Dutch State in the first half of 2009.

In addition, EUR 16.1 billion of the in-house originated mortgages was securitised into EUR 14.6 billion of ECB eligible collateral and is available to increase the liquidity buffer.

## Capital and solvency

On 28 December 2009, the non-cumulative preference shares B held by the Dutch State were converted into ordinary shares. As a result, the issued and outstanding share capital as at 31 December 2009 amounted to EUR 1,176,855,500 divided into 1,880,946 ordinary shares of EUR 500 each and 150,000 non-cumulative A preference shares of EUR 500 each. The Dutch State holds 1,880,946 ordinary shares and Fortis FBN(H) Preferred Investments B.V. holds 150,000 non-cumulative A preference shares.

The conversion of EUR 1.35 billion of Tier 2 instruments (subordinated loans) into Tier 1 capital (common equity) on 24 December 2009 brought the Tier 1 capital in line with DNB's requirements to ensure that the bank can withstand the most stringent stress scenarios. This conversion is also in line with recent announcements by the Basel committee regarding future capital structure of banks. Furthermore, DNB confirmed Fortis Bank Nederland's Basel II status and confirmed application of the 80% Basel I floor for reporting purposes.

On 31 December 2009, the reported Basel II solvency ratio stood at 16.7% and the Basel II Tier 1 ratio came to 12.5%. On 31 December 2009, the reported Basel I solvency ratio stood at 13.4% and the Basel I Tier 1 ratio was 10.0%.

## Risk Management

The bank re-established its own solid risk organisation in 2009, tailored to its new stand-alone situation. The strengthened risk organisation extends into the business lines and has an expanded scope of responsibility.

Risk Management played an important role in setting-up the bank's regulatory reporting framework. As a result, Fortis Bank Nederland is now Basel II compliant.

Credit risk increased portfolio-wide in 2009, continuing the trend started in the second half of 2008. The infection ratio (impaired loans expressed over total on- and off-balance sheet exposure) increased from 1.19% in 2008 to 1.93% in 2009 (the largest increase was accounted for in loans without impairment provisions; both ratios exclude provisions for the Madoff fraud). Corporate debt restructurings took place and terms and conditions were consequently adjusted, where necessary. The total level of impairments increased from EUR 1.5 billion in 2008 to EUR 1.8 billion in 2009. Interest rate risk has been brought in line with the size of the bank's stand-alone balance sheet and available capital. The absolute duration decreased to 367 million in 2009, from EUR 717 million in 2008.

The combined exposure reported under 'due from banks and customers' grew by 2.0% in 2009. The unsecured portion decreased by 5.4%, while the amount of excess collateral declined by 31.6% in 2009.

Fortis Bank Nederland applies swaps and other financial instruments in managing interest rate risk on designated ALM positions. Portfolio hedge accounting is applied to parts of the mortgage portfolio to mitigate the resulting mismatch in accounting treatment. Net investment hedge accounting is used when hedging the foreign currency exposure on net investments in foreign operations (outside the eurozone). In 2009 Fortis Bank Nederland started adding micro fair value hedging to its hedging strategies for specific transactions, particularly bond issues under the government guaranteed programme.

Improved access to the money and capital markets has reduced the funding and liquidity risks. As in previous years, current trading activities for our own account are limited. Operational risks have been further aligned to the stand-alone profile of the bank.

Internal risk control systems functioned effectively in 2009, ensuring that financial reporting did not contain any material inaccuracies. The bank's internal audit service has concluded that the risk reporting is satisfactory and has not identified any major shortcomings of internal risk control systems.

## 4. Bank in transition

Due to the developments around Fortis Group in 2008 and due to the planned integration with ABN AMRO, Fortis Bank Nederland is a bank in transition.

### Separation

At year-end 2009, roughly 80% of the separation projects were completed and 75% of the services previously delivered by Fortis Bank SA/NV to Fortis Bank Nederland and vice versa were discontinued. Key separation projects are yet to be finalised in 2010 at Retail Banking, Securities Finance, Global Markets, Risk and Finance. Full separation from Fortis Bank SA/NV is planned for the end of the third quarter of 2010. The separation of ASR Nederland is progressing equally well. Here, too, completion is planned for the end of September 2010. And finally, the separation of Amlin Corporate Insurance (previously Fortis Corporate Insurance) is well under way.

### Integration

The planned integration with ABN AMRO will be a major endeavour in 2010. The exact timing of the integration will vary from business to business. The goal is to complete the greater part of the transition in 2012. The preparations are on schedule. The operational risks of the planned integration are described in detail in the transition plans and will be monitored closely.

Once all conditions are met, both Fortis Bank Nederland and ABN AMRO are scheduled to become direct subsidiaries of a holding company – named ABN AMRO Group N.V., incorporated on 18 December 2009 and owned by the Dutch State – in the second quarter of 2010. At the same time senior management level is expected to be combined, subject to the required approvals. The next step will be the legal merger, which is expected in the second half of 2010.

### International network

One of the main priorities in 2009 was to ensure future sustainable growth, to selectively rebuild the bank's international network and to strengthen the footholds in foreign markets. Branches were opened in Singapore, the United Kingdom (London) and France (Paris), as was a representative office in Dubai. Licence applications for representative offices in the United States (New York), China (Shanghai) and Brazil (Sao Paulo) are in progress. Furthermore, the bank applied for a broker/dealer licence in New York. Fortis Bank Global Clearing opened branches in Singapore and Belgium and Fortis Clearing Americas in Chicago was acquired from former parent Fortis Bank SA/NV. Fortis Bank Nederland is now active in 25 countries outside the Netherlands.

In 2010 Fortis Bank Nederland plans to open a branch in Belgium to serve the interests of its Commercial and Corporate Banking business lines. The bank also intends to open several representative offices for Energy, Commodities & Transportation.

## European Commission

On 8 April 2009, the European Commission notified the Dutch State of its decision to initiate the procedure laid down in Article 88(2) of the EC Treaty concerning potential state aid in connection with the acquisition of Fortis Bank Nederland by the Dutch State on 3 October 2008, and the transfer of the 33.8% stake in RFS Holdings<sup>1</sup> by Fortis Bank Nederland to the Dutch State on 24 December 2008.

On 8 February 2010, the EC announced its preliminary approval – valid until 31 July 2010 – of the conversion in December 2009 of Tier 2 capital (subordinated notes held by the Dutch State) into Tier 1 capital (common equity). The EC announced it would incorporate this capital rebalancing in the inquiry into state support measures it started in April 2009. The EC will also ensure that Fortis Bank Nederland does not use the measures for an aggressive pricing or takeover policy, which would distort competition.

## Banking Code

The Banking Code drafted by the Netherlands Bankers' Association (NVB) took effect on 1 January 2010. Fortis Bank Nederland already applied the vast majority of the provisions of the Banking Code. The necessary measures were taken in the course of 2009 to ensure full compliance where possible. Among other things, the Management Board and the Supervisory Board adopted new regulations governing their composition and functioning in line with the Banking Code.

## FTEs

On 31 December 2009, Fortis Bank Nederland employed 8,855 FTEs, a reduction of 10% compared with 9,793 FTEs (unadjusted) at year-end 2008. Apart from natural turnover, the reduction of FTEs mainly relates to the divestment of Intertrust Group and the separation from ASR Nederland and Fortis Holdings and to changes in Merchant Banking due to the separation and organisational changes. At year-end 2009, around 20% of the workforce was based outside the Netherlands.

## Recognition

Business as usual demanded a great deal from our employees in 2009, as did separation and integration. The Management Board would like to express its appreciation to the Works Council for its efforts in contributing to the separation and integration processes, and would like to sincerely thank the bank's staff for their steadfast dedication and commitment in this demanding period.

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<sup>1</sup> In October 2007, Fortis Bank (Nederland) N.V., through Fortis Group as a member of a consortium with Royal Bank of Scotland Group plc and Banco Santander S.A., acquired a 33.8% stake in RFS Holdings B.V., the vehicle that acquired ABN AMRO Holding N.V. On 24 December 2008, Fortis Bank (Nederland) N.V. sold and transferred its shares in RFS Holdings B.V. to the Dutch State.

## 5. Dividend

Fortis Bank (Nederland) N.V.

For the year 2009, the Management Board proposes to the Supervisory Board and the General Meeting of Shareholders not to pay any dividends on any of the outstanding ordinary shares and to reserve the dividend on the non-cumulative A preference shares held by Fortis FBN(H) Preferred Investments B.V.

Fortis Capital Company Limited

On 29 June 1999 Fortis Capital Company Limited (FCC), a subsidiary of Fortis Bank (Nederland) N.V., issued EUR 450 million of non-cumulative non-voting perpetual class A1 preference shares ('A1 Preference Shares').

Following FCC's legal proceedings against Fortis Holdings and the subsequent EUR 362,511,000 cash settlement, EUR 87,489,000 of the class A1 preference shares remain outstanding. This outstanding amount is accounted for as non-innovative Tier 1 capital in the calculation of regulatory capital and as subordinated liabilities under IFRS. Since 29 June 2009, the dividend on the outstanding class A1 preference shares has been payable in arrears and calculated on the paid-up value of the preference shares at three-month EURIBOR plus 260 basis points.

Fortis Capital Company Limited has paid dividend on the A1 Preference Shares which became payable on 29 June 2009, 29 September 2009 and 29 December 2009 subject to the applicable terms and conditions as stated in the prospectus. The Management Board and the Supervisory Board have endorsed the foregoing.

### Appendices

1. Key figures
2. Consolidated balance sheet
3. Consolidated income statement

#### Press contact

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#### Professional market parties

Institutional investors and other professional market parties can direct questions by email to Investor Relations at [investor.relations@nl.fortis.com](mailto:investor.relations@nl.fortis.com)

#### Disclaimer

The annual figures in this press release have been derived from the Annual Financial Statements 2009 of Fortis Bank (Nederland) N.V.

## Appendix 1: Key figures

	31 December 2009	31 December 2008
<b>Balance sheet</b>		
Due from banks	26,657	24,272
Due to banks	37,143	21,309
Due from customers	125,328	124,692
Due to customers	61,399	91,798
Shareholders' equity	4,716	2,944
Total assets	189,785	184,203
Assets under management	29,569	28,452
<b>Basel I ratios</b>		
Tier 1 ratio	10.0%	7.4%
Total capital ratio before profit appropriation	13.4%	11.2%
<b>Reported Basel II ratios (80% transitional floor)</b>		
Tier 1 ratio	12.5%	
Total capital ratio before profit appropriation	16.7%	
<b>Employees</b>		
FTEs	8,855	9,793
	<b>2009</b>	<b>2008</b>
<b>Income statement</b>		
Net interest income <sup>1</sup>	1,150	1,584
Net commissions and fees	724	823
Other income <sup>1</sup>	92	207
Total operating income <sup>1</sup>	2,171	3,096
Change in impairments <sup>1</sup>	( 412 )	( 331 )
Total net operating income <sup>1</sup>	1,759	2,765
Staff expenses	( 896 )	( 895 )
Other expenses	( 862 )	( 1,048 )
Total expenses	( 1,827 )	( 2,010 )
Net operating profit <sup>1</sup>	27	604
Exceptional items (net of tax)	379	( 19,090 )
Net profit attributable to shareholders	406	( 18,486 )
<b>Financial ratios</b>		
Return on equity (excluding exceptional items)	0.7%	4.9%
Cost/Income ratio	84.2%	64.9%

1) Excluding exceptional items

## Appendix 2: Consolidated Balance Sheet

	31 December 2009	31 December 2008
<b>Assets</b>		
Cash and cash equivalents	10,002	9,859
Assets held for trading	16,231	13,948
Due from banks	26,657	24,272
Due from customers	125,328	124,692
<i>Investments:</i>		
- Held to maturity	33	30
- Available for sale	2,822	3,542
- Held at fair value through profit or loss	485	151
- Investment property	34	90
- Associates and joint ventures	437	388
Total investments	3,811	4,201
Other receivables	2,667	3,029
Property, plant and equipment	355	414
Goodwill and other intangible assets	161	182
Accrued interest and other assets	4,379	3,369
Deferred tax assets	194	237
<b>Total assets</b>	<b>189,785</b>	<b>184,203</b>
<b>Liabilities</b>		
Liabilities held for trading	24,164	23,716
Due to banks	37,143	21,309
Due to customers	61,399	91,798
Debt certificates	47,567	28,251
Subordinated liabilities	4,708	6,561
Other borrowings	113	257
Provisions	124	97
Current tax liabilities	124	247
Deferred tax liabilities	39	74
Accrued interest and other liabilities	9,682	8,874
<b>Total liabilities</b>	<b>185,063</b>	<b>181,184</b>
Shareholders' equity	4,716	2,944
Minority interests	6	75
<b>Total equity</b>	<b>4,722</b>	<b>3,019</b>
<b>Total liabilities and equity</b>	<b>189,785</b>	<b>184,203</b>

## Appendix 3: Consolidated Income Statement

	2009	2009	2009	2008	2008	2008
		Exceptional	Excluding		Exceptional	Excluding
		items	exceptional		items	exceptional
			items			items
<b>Income</b>						
Interest income	8,380		8,380	17,357		17,357
Interest expense	(7,230)		(7,230)	(16,355)	(582)	(15,773)
<b>Net interest income</b>	<b>1,150</b>		<b>1,150</b>	<b>1,002</b>	<b>(582)</b>	<b>1,584</b>
Fee and commission income	1,097		1,097	1,108		1,108
Fee and commission expense	(373)		(373)	(285)		(285)
<b>Net fee and commission income</b>	<b>724</b>		<b>724</b>	<b>823</b>		<b>823</b>
Dividend and other investment income	14		14	27		27
Share in result of associates and joint ventures	(2)		(2)	(896)	(905)	9
Realised capital gains (losses) on investments	90		90	(16,807)	(16,822)	15
Other realised and unrealised gains and losses	103		103	431		431
Other income	455	363	92	207		207
<b>Total operating income</b>	<b>2,534</b>	<b>363</b>	<b>2,171</b>	<b>(15,213)</b>	<b>(18,309)</b>	<b>3,096</b>
Change in impairments	(396)	16	(412)	(1,303)	(972)	(331)
<b>Net operating income</b>	<b>2,138</b>	<b>379</b>	<b>1,759</b>	<b>(16,516)</b>	<b>(19,281)</b>	<b>2,765</b>
<b>Expenses</b>						
Staff expenses	(896)		(896)	(895)		(895)
Depreciation and amortisation of tangible and intangible assets	(69)		(69)	(67)		(67)
Other expenses	(862)		(862)	(1,048)		(1,048)
<b>Total expenses</b>	<b>(1,827)</b>		<b>(1,827)</b>	<b>(2,010)</b>		<b>(2,010)</b>
<b>Profit before taxation</b>	<b>311</b>	<b>379</b>	<b>(68)</b>	<b>(18,526)</b>	<b>(19,281)</b>	<b>755</b>
Income tax expense	96		96	56	191	(135)
<b>Net profit for the period</b>	<b>407</b>	<b>379</b>	<b>28</b>	<b>(18,470)</b>	<b>(19,090)</b>	<b>620</b>
Net profit attributable to minority interests	1		1	16		16
<b>Net profit attributable to shareholders</b>	<b>406</b>	<b>379</b>	<b>27</b>	<b>(18,486)</b>	<b>(19,090)</b>	<b>604</b>