FORTIS CAPITAL COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2010

REPORT OF THE DIRECTORS

The Directors present their report and the unaudited financial statements for the period 1st January 2010 to 30th June 2010.

INCORPORATION
The Company was incorporated in Jersey, Channel Islands on 18th February 1999.

ACTIVITIES
The principal activity of the Company is the provision of finance to ABN AMRO Bank N.V. (formerly Fortis Bank (Nederland) N.V.) which operates as an independent and commercial bank, with the Dutch State as the majority shareholder.

SUBSEQUENT EVENTS
Effective 1st July 2010, Fortis Bank (Nederland) N.V. legally merged into ABN AMRO Bank N.V.

In order to reflect the change in ownership, the Company issued a notice of an extraordinary general meeting to be held on 25th August 2010 wherein it is proposed that the Company's name will be changed to ABN AMRO Capital Finance Limited. Such change in name must be directed by majority vote representing at least 66 $^{2/3}$ per cent. of the holders of both ordinary and preference shares present in the meeting.

On 13th August 2010, the Company approved the issue of a redemption notice for the redemption of all of its remaining Class A Series 1 Preference Shares on the next dividend payment date on 29th September 2010, in accordance with the Company's Offering Circular dated 29th June 1999. The notice was formally issued on 18th August 2010. The settlement of the redemption amounts will be paid in cash which will be sourced through redemption of € 87,489,000 of the Company's investment in Subordinated Notes.

RESULTS AND DIVIDENDS
The profit for the period amounted to € 7,012,774 (year ended 31st December 2009: € 372,580,080).

The Directors do not recommend a dividend for the period (year ended 31st December 2009: € nil).

DIRECTORS
The Directors who held office during the period and subsequently were:

J.G. Stokkel
P.D. Martin
J.F. van Wijck
A. van der Plas
H.C. Grant
G.P. Essex-Cater
C. Ruark
F.X.A. Chesnay

REGISTERED OFFICE
22 Grenville Street, St. Helier Jersey, Channel Islands, JE4 8PX

BY ORDER OF THE BOARD

Marisa Warren
Authorised Signatory
State Street Secretaries (Jersey) Limited (formerly Mourant & Co. Secretaries Limited)
Secretary
Date: **24th August 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards.

Jersey Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent;

* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF PERSONS RESPONSIBLE WITHIN THE ISSUER

With regard to Regulation 2004/109/EC of the European Union (the "EU Transparency Directive"), the Directors of the Company whose names appear on page 1 confirm to the best of their knowledge that the unaudited financial statements for the period ended 30th June 2010 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by the applicable accounting standards. The Report of the Directors gives a fair review of the development of the Company's business, financial position and the important events that have occurred during the financial period and their impact on the financial statements. The principal risks and uncertainties faced by the Company are disclosed in Notes 1 and 12 of these financial statements.

For and behalf of the Board of Directors of the Company

Director: **Gareth Essex-Cater**

Date: **24th August 2010**

BALANCE SHEET

AS AT 30TH JUNE 2010

	Notes		30th Jun 10		31st Dec 09
ASSETS					
Non-current assets					
Held-to-maturity investments	2		385,011,000		472,500,000
Current assets					
Held-to-maturity investments	2		87,489,000		-
Trade and other receivables	3		106,893		161,407
Cash and cash equivalents	4		32,893,669		25,832,989
			120,489,562		25,994,396
TOTAL ASSETS		€	505,500,562	€	498,494,396
EQUITY AND LIABILITIES					
Capital and reserves					
Equity share capital	7		22,511		22,511
Share premium account	8		30,477,499		30,477,499
Retained earnings			387,487,196		380,474,422
TOTAL SHAREHOLDERS' EQUITY			417,987,206		410,974,432
Non-current liabilities					
Preference shares	6		-		87,489,000
Current liabilities					
Preference shares	6		87,489,000		-
Trade and other payables	5		24,356		30,964
			87,513,356		30,964
TOTAL EQUITY AND LIABILITIES		€	505,500,562	€	498,494,396

The financial statements were approved and authorised for issue by the Board of Directors on the 24th day of August 2010 and were signed on its behalf by:

Director: Gareth Essex-Cater

(The notes on pages 8 to 19 form part of these unaudited financial statements)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010

	Notes		1st Jan 10 to 30th Jun 10		1st Jan 09 to 31st Dec 09
INCOME:					
Deposit interest income			136,763		273,928
Investment income	2		8,343,185		26,024,822
Swap agreement income			-		15,547,314
Other income			-		362,511,000
			8,479,948		404,357,064
EXPENDITURE:					
Interest expense on Preference Shares	6		1,427,053		15,363,254
Amortisation of issue costs on Preference Shares			-		417,625
Loan interest expense			-		34,583
Administration fees			18,732		49,835
Management fees			2,289		1,616
Professional fees			3,200		9,945
Legal fees	10		-		175,502
Listing fees			-		10,000
Audit fees			9,203		27,631
Directors fees			4,578		2,693
Annual filing fee			286		170
International Service Entity fee			-		113
Bank charges			373		901
Swap agreement payments			-		15,680,400
Loss on exchange			1,460		2,716
			1,467,174		31,776,984
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		€	7,012,774	€	372,580,080

(The notes on pages 8 to 19 form part of these unaudited financial statements)

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010

		Share Capital		Share premium		Retained earnings		Total
Balance at 1st January 2010		22,511		30,477,499		380,474,422		410,974,432
Profit for the period		-		-		7,012,774		7,012,774
Balance at 30th June 2010	€	22,511	€	30,477,499	€	387,487,196	€	417,987,206
Balance at 1st January 2009		22,511		30,477,499		7,894,342		38,394,352
Profit for the year		-		-		372,580,080		372,580,080
Balance at 31st December 2009	€	22,511	€	30,477,499	€	380,474,422	€	410,974,432

(The notes on pages 8 to 19 form part of these unaudited financial statements)

CASH FLOW STATEMENT

FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010

	Note		1st Jan 10 to 30th Jun 10		1st Jan 09 to 31st Dec 09
Cash flows from operating activities					
Profit for the period/year			7,012,774		372,580,080
Decrease in trade and other receivables			54,514		31,732,555
Decrease in trade and other payables			(6,608)		(30,578,950)
Gain on swap agreement			-		(1,832,632)
Amortisation of issue costs on Preference Shares			-		417,625
Net cash flows from operating activities			7,060,680		372,318,678
Cash flows from financing activities					
Repayment of loans			-		(1,084,101)
Redemption of Preference Shares			-		(362,511,000)
Net cash flows used in financing activities			-		(363,595,101)
Net increase in cash and cash equivalents			7,060,680		8,723,577
Cash and cash equivalents at the beginning of the period/year			25,832,989		17,109,412
Cash and cash equivalents at the end of the period/year	4	€	32,893,669	€	25,832,989

(The notes on pages 8 to 19 form part of these unaudited financial statements)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010

1. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee. The more significant accounting policies used are set out below.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Fundamental uncertainty

As outlined in Note 6, Preference Shares, Ageas N.V. (formerly Fortis N.V.) and Ageas SA/NV (formerly Fortis SA/NV) alleged that they were entitled to receive compensation up to a maximum of € 362,511,000 (plus interest). At the time of approving these financial statements, the Company, Ageas N.V., Ageas SA/NV and ABN AMRO Bank N.V. (formerly Fortis Bank (Nederland) N.V.), are involved in a complex legal dispute the outcome of which is impossible to predict with any level of certainty. As such, no adjustments have been made in these financial statements for this event.

New accounting standards, amendments to existing accounting standards and/or interpretations of existing accounting standards (separately or together, "New Accounting Requirements") adopted during the current period/year

In the opinion of the Directors, there are no mandatory New Accounting Requirements applicable in the current period/year that have any bearing on the operating activities and disclosures of the Company. Consequently, no New Accounting Requirements are listed. The Company has not adopted any New Accounting Requirements that are not mandatory.

New standards and interpretations in issue but not yet effective

In November 2009, the IASB issued a new accounting standard, IFRS 9: 'Financial Instruments' (Replacement of IAS 39). IFRS 9 is mandatory for accounting periods commencing from 1st January 2013 with early adoption permitted at any time from 12th November 2009 onwards. The main changes resulting from the replacement of IAS 39 by IFRS 9 are changes to the permitted classifications and subsequent measurement of financial instruments. However, in the opinion of the Directors adoption of IFRS 9 will result in no material changes to the Company's financial statements.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant estimates and assumptions used by the Directors in preparation of these financial statements are in relation to the fair value calculation of the Company's financial instruments as outlined in Note 12.

Held-to-maturity investments

The Company has classified its investments as held-to-maturity investments. Investments are initially recognised at trade date at fair value on the date of purchase less transaction costs that are directly attributable to the investments. They are subsequently measured at amortised cost using the effective interest rate method less any impairment losses. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

1. ACCOUNTING POLICIES - (CONTINUED)

Preference shares

Preference Shares are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, Preference Shares are stated at amortised cost with any difference between the net proceeds on date of issue and redemption value being recognised in the Statement of Comprehensive Income over the period of the borrowing on an effective interest rate basis.

The scheduled redemption amount of the Preference Shares at the scheduled maturity dates will be the lesser of (i) the nominal amount issued; or (ii) the amount received by the Company in respect of the redemption of the Investments held by the Company. The Company derecognises Preference Shares when its contractual obligations are discharged.

The Directors have considered the characteristics of the Preference Shares, and the requirements of "Financial Instruments: Disclosure and Presentation" ("IAS 32"), and consider that the most appropriate classification of these securities is as debt within current liabilities.

Impairment

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Transaction costs

Transaction costs represent costs of the issue of the Preference Shares and other formation expenses which have been deducted from the proceeds of the issue of the Preference Shares and taken into account in calculating the carrying value of the Preference Shares on an effective interest rate basis.

Foreign currency translation

a) Currency of domicile, functional currency and presentation currency

The currency of domicile is GBP (pounds sterling). Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Fair value estimations

Fair value estimations of the financial assets and liabilities are initially determined by using quoted prices. Where quoted prices are not available valuation techniques to determine fair values are used. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

1. ACCOUNTING POLICIES - (CONTINUED)

Investment income, interest expense and loan interest expense
Investment income, interest expense and loan interest expense are recognised in the Statement of Comprehensive Income on an effective interest basis.

Swap income and swap expense
Swap income and swap expense is recognised on an effective interest basis.

Deposit interest income
Deposit interest income is recognised on an accruals basis.

Other expenses
All other expenses are recognised on an accruals basis.

Trade and other receivables and payables
Trade and other receivables and payables are measured at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Loans payable
Loans payable are measured at amortised cost using the effective interest basis.

Related party disclosures
Transactions with related parties are disclosed in the primary financial statements and the notes to the financial statements.

Segmental reporting
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Directors perform regular review of the operating results of the Company and make decisions using financial information at the entity level. Accordingly, the Directors believe that the Company has only one operating segment (see Note 13).

The Directors are responsible for ensuring that the Company carries out business activities in line with the transaction documents. They may delegate some or all of the day to day management of the business including the decisions to purchase and sell securities to other parties both internal and external to the Company. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Directors. Therefore the Directors retain full responsibility as to the major allocation decisions of the Company.

Employees
The Company had no employees during the period or the previous accounting year.

2. HELD-TO-MATURITY INVESTMENTS

	30th Jun 10	31st Dec 09
ABN AMRO Bank N.V. (formerly Fortis Bank (Nederland) N.V.):		
Class A1 Subordinated Notes		
Non-current	385,011,000	472,500,000
Current	87,489,000	-
	€ 472,500,000	€ 472,500,000

2. HELD-TO-MATURITY INVESTMENTS - (CONTINUED)

The Subordinated Notes (the "Notes") which were issued in 1999 under the Class A1 Subordinated Note Purchase Agreement (the "Purchase Agreement") have a term of 30 years, and represent an obligation of ABN AMRO Bank N.V. (formerly Fortis Bank (Nederland) N.V. as the "Bank") to the Company. The Notes are subordinated and junior to the Bank's depositors and creditors in the event of bankruptcy or liquidation of the Bank. The Notes earned interest annually in arrears at a rate of 12 month Euribor plus 187 basis points until 29th June 2009.

After 29th June 2009, the Notes earned interest quarterly in arrears at a rate of 3 month Euribor plus 287 basis points. The Company has the right to redeem the Notes when the Preference Shares are redeemed. However, the Notes were maintained in full amount notwithstanding the redemption of a significant portion of the Preference Shares (see Note 6).

In the opinion of the Directors, the Notes should be classified as "held-to-maturity" as the Company has the positive intention and ability to hold the Notes to maturity and any early redemption is callable by the Company.

A portion of the Notes amounting to € 87,489,000 will be redeemed on 29th September 2010 in order to source funds for the redemption of the remaining Preference Shares. Refer to notes 6 and 16.

3. TRADE AND OTHER RECEIVABLES

	30th Jun 10	31st Dec 09
Investment income receivable	94,008	92,584
Deposit income receivable	12,885	68,823
	€ 106,893	€ 161,407

4. CASH AND CASH EQUIVALENTS

	30th Jun 10	31st Dec 09
MeesPierson (CI) Limited - € fixed deposit account	15,375,566	15,968,207
ABN AMRO Bank N.V. (formerly Fortis Bank (Nederland) N.V.) - € fixed deposit account	17,448,945	9,035,507
Citibank, N.A. - € deposit account	58,358	771,961
The Royal Bank of Scotland International:		
- € deposit account	90	57,229
- £ deposit account £8,691 (2009: £3)	10,615	4
- US$ deposit account $116 (2009: $116)	95	81
	€ 32,893,669	€ 25,832,989

5. TRADE AND OTHER PAYABLES

	30th Jun 10	31st Dec 09
Interest payable on Preference Shares	16,112	15,849
Audit fees	8,244	15,115
	€ 24,356	€ 30,964

6. PREFERENCE SHARES

		30th Jun 10		31st Dec 09
6.25% Non-cumulative, Non-voting Perpetual Class A Series 1 at €1,000 each		87,489,000		450,000,000
Redemption		-		(362,511,000)
	€	87,489,000	€	87,489,000

The Class A Series 1 Preference Shares incurred interest at a rate of 6.25% per annum on the nominal amount of the shares outstanding payable annually in arrears on 29th June each year until 29th June 2009. The Company was permitted to redeem for cash the Class A Series 1 Preference Shares in their totality on 29th June 2009 and is permitted to redeem on any preference dividend payment date thereafter or at any time following an Issuer Special Event.

On the occasion of a Supervisory Event, there would be a mandatory conversion of the Class A Series 1 Preference Shares to Preference Shares of the Bank. In the event of a liquidation the Class A Series 1 Preference Share holders would be entitled to receive a distribution of assets equivalent to the paid up value of the Class A Series 1 Preference Shares plus any accrued preference dividend. There would be no entitlement to claim any of the remaining assets of the Company. The Class A Series 1 Preference Shares are listed on the Euronext Amsterdam Stock Exchange.

In June 2009, the Company redeemed 362,511 Class A Series 1 Preference Shares with the proceeds received from Ageas N.V. (formerly Fortis N.V.) and Ageas SA/NV (formerly Fortis SA/NV) pursuant to their obligations under the Class A1 Support Agreement (the "Support Agreement"). However, Ageas N.V. and Ageas SA/NV have filed a counter claim to receive compensation of up to € 362,511,000 (plus interest) from the Bank and/or the Company on the basis of unjust enrichment, contract, the overriding principles of reasonableness and fairness, unforeseen circumstances and/or undue payment. The parties are involved in a complex legal dispute, the outcome of which is currently impossible to predict with any level of certainty. However, on the basis of available evidence and advice the Company is of the opinion that it is more likely than not that the claims of Ageas N.V. and Ageas SA/NV will be dismissed.

The remaining Preference Shares amounting to € 87,489,000, which continue to be held in accordance with the terms of the original issue, may be redeemed for cash on any preference dividend payment date after 29th June 2009 or at any time by the Company following an Issuer Special Event. These Preference Shares incur interest at 3 month Euribor plus 260 basis points payable quarterly in arrears with effect from 29th September 2009.

On 13th August 2010, the Company resolved to redeem the remaining Preference Shares on the next dividend payment date. Refer to note 16.

7. EQUITY SHARE CAPITAL

		30th Jun 10		31st Dec 09
AUTHORISED:				
2,000,000,000 ordinary shares of € 1 each		2,000,000,000		2,000,000,000
2,000,000,000 unclassified shares of € 1 each		2,000,000,000		2,000,000,000
	€	4,000,000,000	€	4,000,000,000

7. EQUITY SHARE CAPITAL - (CONTINUED)

	30th Jun 10	31st Dec 09
ISSUED AND FULLY PAID:		
22,511 ordinary shares of € 1 each	€ 22,511	€ 22,511

Holders of ordinary shares have one vote on a show of hands and one vote for each ordinary share held on a vote taken on a poll. Whilst there are Preference Shares in issue, no dividends shall be payable to the ordinary shareholders except out of net income determined under the Dutch generally accepted accounting principles after all Preference Share dividends have been settled. On a winding up or other return of capital no amount shall be distributed to the ordinary shareholders until the Preference Shareholders have received all amounts payable to them in accordance with the Company's articles of association.

8. SHARE PREMIUM ACCOUNT

	30th Jun 10	31st Dec 09
Premium on shares issued:		
Ordinary shares	€ 30,477,499	€ 30,477,499

9. TAXATION

With effect from the 2009 year of assessment Jersey abolished the exempt company regime for existing companies. Profits arising in the Company for the 2009 year of assessment and future periods will be subject to Jersey Income Tax at the rate of 0%. In the prior year the Company was exempt from taxation under the provisions of Article 123A of the Income Tax (Jersey) Law 1961 as amended.

10. LEGAL FEES

Legal fees pertained to legal advice and services engaged by the Company due to the ongoing litigation proceedings with Ageas N.V. and Ageas SA/NV as detailed in Note 6.

11. CAPITAL MANAGEMENT

The Company’s transactions are designed to enable the Company to pay its liabilities as they fall due. This is the objective of the Company's capital management policy. The Company receives income from investments at 3 month Euribor plus 287 basis points and pays interest on Preference Shares at 3 month Euribor plus 260 basis points. The Company therefore realises a margin of 27 basis points on the balance of Preference Shares which are invested in the Subordinated Notes (€ 87,489,000). The income earned from the remainder of the investment (€ 385,011,000) is retained by the Company and is reflected in retained earnings.

The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company holds the following financial instruments:

Cash and cash equivalents; Investments; Preference shares; Trade and other receivables; and Trade and other payables.

The Company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Company’s exposure to each of the above risks and the Company’s objectives, policies and processes for measuring and managing those risks. This note also provides further quantitative disclosures in relation to the Company's financial instruments.

The Board of Directors ("Board") has overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s Board is responsible for identifying and analysing the risks faced by the Company, for setting appropriate risk limits and controls, and monitoring risks and adherence to limits. Due to the limited activities of the Company, the Board deems its sole involvement as sufficient to monitor the risks faced by the Company and does not delegate any specific duties to Board committees.

The main purpose of the financial instruments is to finance the Company's purchase of Class A1 Subordinated Notes issued by the Bank. It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

		Held-to-maturity		Loans and receivables		Financial liabilities at amortised cost
Categories of financial assets and liabilities as at 30th June 2010:						
Held-to-maturity investments, non-current	€	385,011,000	€	-	€	-
Held-to-maturity investments, current	€	87,489,000	€	-	€	-
Trade and other receivables	€	-	€	106,893	€	-
Cash and cash equivalents	€	-	€	32,893,669	€	-
Preference Shares	€	-	€	-	€	87,489,000
Trade and other payables	€	-	€	-	€	24,356

		Held-to-maturity		Loans and receivables		Financial liabilities at amortised cost
Categories of financial assets and liabilities as at 31st December 2009:						
Held-to-maturity investments, non-current	€	472,500,000	€	-	€	-
Trade and other receivables	€	-	€	161,407	€	-
Cash and cash equivalents	€	-	€	25,832,989	€	-
Preference Shares	€	-	€	-	€	87,489,000
Trade and other payables	€	-	€	-	€	30,964

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's investment in the Class A1 Subordinated Notes issued by the Bank and from the Swap Agreement entered into with the Bank.

The Company's main financial assets are the Class A1 Subordinated Notes, the corresponding interest receivable at the period end. The majority of the Company's income derives from its investment in the Class A1 Notes. Therefore the maximum exposure to credit risk, without taking into account any collateral held or other credit enhancements is €472,500,000 (2009: €472,500,000).

No indications of impairment have been identified in relation to the Class A1 Subordinated Notes and investment income has been received in accordance with the Purchase Agreement. The Bank has a long term credit rating of A from Standard & Poor's, an Aa3 rating from Moody's and an A+ rating from Fitch. Given these ratings the Board does not expect the Bank to fail to meet its obligations. None of the Company's financial instruments which are exposed to credit risk are past due or impaired during the year or as at the balance sheet date.

The Bank is committed to strengthening the position it holds in its home market, the Netherlands, and re-establish its presence abroad, as successful international network operations that support its Dutch clients are fundamental to achieving the Bank's ambitions.

The Directors believe that there is no significant net credit risk to the Company since the holders of the Preference Shares have limited recourse to the proceeds from the Subordinated Notes. As detailed in Note 6, holders of 362,511 Preference Shares received distribution of assets equal to the paid up value of the Preference Shares.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Due to the nature of the Company's operations, the Board considers net liquidity risk faced by the Company to be minimal. The most significant cash outflows consist of the payment of interest expense on the Preference Shares. The timing of its cash outflows fall due on the same dates as the cash inflows from the Class A1 Subordinated Notes. The income receivable from the Subordinated Notes is 27 basis points higher than the amounts payable from the Preference Shares. The Company therefore realises a margin of 27 basis points on the balance of Preference Shares which are invested in the Subordinated Notes (€ 87,489,000). The income earned from the remainder of the investment (€ 385,011,000) is retained by the Company and is reflected in retained earnings.

Maturity analysis

The undiscounted contractual maturity profile of the Company's financial assets and financial liabilities is as follows:

	Financial assets 30th Jun 10	Financial liabilities 30th Jun 10	Financial assets 31st Dec 09	Financial liabilities 31st Dec 09
In less than one year	120,489,562	87,513,356	25,994,396	30,964
In more than one year	385,011,000	-	472,500,000	87,489,000
	€ 505,500,562	€ 87,513,356	€ 498,494,396	€ 87,519,964

Given the above maturity profile, the Directors consider that the Company is not exposed to significant net liquidity risk.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Due to the structure of the Company's assets and liabilities the net exposure to market risk is also considered to be minimal.

Currency risk

With the exception of certain administrative expenses which are denominated in GBP, all other transactions are undertaken in Euro and therefore the Directors believe that there is no significant net currency risk to the Company.

Currency risk - sensitivity

As disclosed above, in the Directors' opinion, there is no significant currency risk to the Company. The Company only incurs currency risk on certain expenses, which are mainly paid in sterling. The Company accepts this risk and, accordingly, does not hedge against it. A strengthening or weakening of the Euro against the Pound Sterling would have an insignificant effect on the profit or loss of the Company for the period and the Company's equity and therefore no sensitivity analysis for currency risk has been presented in these financial statements.

Fair values

The fair values of the Company's assets and liabilities are as follows:

	30th Jun 10 Carrying value €	30th Jun 10 Fair value €	31st Dec 09 Carrying value €	31st Dec 09 Fair value €
Held-to-maturity investments	472,500,000	456,002,830	472,500,000	339,675,000
Trade and other receivables	106,893	106,893	161,407	161,407
Cash and cash equivalents	32,893,669	32,893,669	25,832,989	25,832,989
Trade and other payables	(24,356)	(24,356)	(30,964)	(30,964)
Preference shares	(87,489,000)	(87,489,000)	(87,489,000)	(42,370,000)

The fair values of the held-to-maturity investments (the "Notes") have been calculated using valuation models based on a discounted cashflow approach, whereby product specific spreads related to credit and liquidity risk is taken into account when applying a discount curve. In this way, the fair value of the different products is derived as close as possible to the Marked-to-Market value. It had been assumed that the € 385,011,000 of Notes will be redeemed at their scheduled maturity date of 29th June 2029 in accordance with the Purchase Agreement and € 87,489,000 will be redeemed on 29th September 2010.

The Preference Shares as at 30th June 2010 as quoted from Euronext is € 580 per share. However, given that the Preference Shares are due to be redeemed on 29th September 2010, the fair value is taken to equal to the nominal value. There was no quoted price available as at 31st December 2009, thus the the fair value of the Preference Shares was calculated based on a discounted cashflow approach. The calculated fair value approximates the average of the current indicative market and the last trade price of the Preference Shares.

Upon exchange of a significant portion of the Preference Shares in June 2009, the Company did not elect to redeem the Notes but chose to finance such redemption from the proceeds received from Ageas N.V. and Ageas SA/NV (See Note 6). The Directors consider that the fair values of the Company's other financial assets and liabilities are not significantly different from their carrying values.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - (CONTINUED)

Fair values - (continued)

Fair value - sensitivity analysis

As the Preference Shares and Notes are stated at amortised cost, an increase or decrease in their fair values would have no impact on the Company's profit or loss and/or equity and therefore no sensitivity analysis in respect of the Preference Shares or Notes has been presented.

Interest rate risk

Interest incurred on the Preference Shares is on a 3-months Euribor plus 260 basis points and interest income received from the Notes is on 3-months Euribor plus 287 basis points which yields a fixed margin of 27 basis points.

The interest rate exposure of financial assets at period end was as follows:

	Total	Fixed rate	Floating rate	Non-interest bearing
30th June 2010	€ 505,500,562	-	€ 505,393,669	€ 106,893
31st December 2009	€ 498,494,396	-	€ 498,332,989	€ 161,407

The floating rate financial assets comprise of the bank deposits that earn interest based on market rates and of the held-to-maturity investments which earn interest at 3 month Euribor plus 287 basis points.

Non-interest bearing financial assets represent trade and other receivables.

The interest rate exposure of financial liabilities at period end was as follows:

	Total	Fixed rate	Floating rate	Non-interest bearing
30th June 2010	€ 87,513,356	-	€ 87,489,000	€ 24,356
31st December 2009	€ 87,519,964	-	€ 87,489,000	€ 30,964

Effective interest rate for the period was as follows:

	Fixed rate financial liabilities	Floating rate financial liabilities
30th June 2010	0%	3.35%
31st December 2009	0%	3.59%

Floating rate financial liabilities as at 30th June 2010 consist of the remaining balance of the Company's Preference Shares which incurs interest at 3 month Euribor plus 260 basis points.

Non-interest bearing financial liabilities represent trade and other payables.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - (CONTINUED)

Interest rate risk - (continued)

Interest rate risk - sensitivity analysis

As disclosed above, in the Directors' opinion there is no material interest rate risk to the Company. From the Company's perspective any change in the interest rate attached to the Notes would be matched by an equal and opposite change in the interest rate attached to the Preference Shares. Consequently a change in interest rates would have no net effect on profit or loss and/or equity.

IFRS 7 requires disclosure of "a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date." As stated, whilst the financial instruments held by the Company are separately exposed to interest rate risk, the Company itself is not exposed to interest rate risk overall. Therefore, in the Directors' opinion, no sensitivity analysis in respect of interest rates is required to be disclosed.

13. OPERATING SEGMENTS

Geographical information

All of the Company's revenues are generated from external sources which are analysed as follows:

		30th Jun 10		31st Dec 09
The Netherlands		8,343,185		404,083,136
United Kingdom and Channel Islands		136,763		273,928
	€	8,479,948	€	404,357,064

Non-current assets

The Company does not have non-current assets other than the held-to-maturity investments.

Major investment company

All of the Company's operating revenues apart from deposit interest income, is derived from one entity.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

FOR THE PERIOD 1ST JANUARY 2010 TO 30TH JUNE 2010

14. HOLDING COMPANY AND RELATED PARTIES

The Company's ultimate holding company is ABN AMRO Group N.V., a company incorporated in the Netherlands and controlled by the Dutch State.

Messr. Martin, Stokkel, Van der Plas and Van Wijck are senior employees of ABN AMRO Bank N.V. or its affiliate companies.

Up to and including 31st March 2010, G.P. Essex-Cater was a shareholder of Mourant Limited. Each of H.C. Grant, G.P. Essex-Cater, C. Ruark and F.X.A. Chesnay was an employee of a subsidiary of Mourant Limited. Affiliates of Mourant Limited provided administrative services to the Company at commercial rates.

On the 1st April 2010, Mourant Limited sold its interest in Mourant International Finance Administration to State Street Corporation ("SSC"). Each of H.C. Grant, G.P. Essex-Cater, C. Ruark and F.X.A. Chesnay is an employee of a subsidiary of SSC. Affiliates of SSC now provide administrative services to the Company at commercial rates.

The Company has invested the proceeds of the issue of the Class A Series 1 Preference Shares in Subordinated Notes of the immediate holding company as described in Note 2.

The Company has entered into support and guarantee agreements with ABN AMRO Bank N.V. to enable the Company to declare and pay preference dividends and to guarantee the payment of Class A Series 1 Preference Shares including unpaid preference share dividends in the event of the liquidation of the Company.

In June 2009 the Company received € 362,511,000 from Ageas SA/NV and Ageas N.V. as a result of the Court ruling in favour of the Company (see Note 6). These proceeds were used to redeem 362,511 Class A Series 1 Preference Shares. It is to be noted that Ageas SA/NV and Ageas N.V. are only considered related parties in respect of the support agreement signed in 1999.

Transactions were made on terms equivalent to those that would prevail on an arms length transaction.

15. KEY MANAGEMENT PERSONNEL

The key management personnel have been identified as being the directors of the Company. The emoluments of key management personnel are paid by the immediate holding company who makes no recharge to the Company.

It is therefore not possible to make a reasonable apportionment of their emoluments in respect of the Company. Accordingly, no emoluments in respect of the directors applicable to the Company have been disclosed.

16. SUBSEQUENT EVENTS

Effective 1st July 2010, Fortis Bank (Nederland) N.V. legally merged into ABN AMRO Bank N.V.

In order to reflect the change in ownership, the Company issued a notice of an extraordinary general meeting to be held on 25th August 2010 wherein it is proposed that the Company's name will be changed to ABN AMRO Capital Finance Limited. Such change in name must be directed by majority vote representing at least 66 $^{2/3}$ per cent. of the holders of both ordinary and preference shares present in the meeting.

On 13th August 2010, the Company approved the issue of a redemption notice for the redemption of all of its remaining Class A Series 1 Preference Shares on the next dividend payment date on 29th September 2010, in accordance with the Company's Offering Circular dated 29th June 1999. The notice was formally issued on 18th August 2010. The settlement of the redemption amounts will be paid in cash which will be sourced through redemption of € 87,489,000 of the Company's investment in Subordinated Notes.