

**BAWAG Capital Finance
(Jersey) II Limited**

Report and financial statements

31 December 2011

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BAWAG Capital Finance (Jersey) II Limited

Directors, officers and other information

<i>Directors:</i>	Chris Ruark Edward Grech Gareth Essex-Cater Helen Grant
<i>Secretary:</i>	State Street (Jersey) Limited
<i>Registered office:</i>	22 Grenville Street, St Helier, Jersey
<i>Country of incorporation:</i>	Jersey
<i>Company registration number:</i>	83188
<i>Auditor:</i>	Deloitte LLP, P.O. Box 403, Lord Coutanche House, 66-68 Esplanade, St. Helier, Jersey, Channel Islands
<i>Bankers:</i>	BAWAG P.S.K. Bank Für Arbeit Und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft Georg-Coch Platz A-1018 Vienna Austria The Royal Bank of Scotland International, Royal Bank House, 71 Bath Street, St. Helier, Jersey, Channel Islands
<i>Legal advisers:</i>	Mourant Ozannes P.O. Box 87, 22, Grenville Street, St. Helier, JE4 8PX, Jersey, Channel Islands

BAWAG Capital Finance (Jersey) II Limited

Directors' report

Year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011.

Principal activity

The principal activity of the BAWAG Capital Finance (Jersey) II Limited (the 'company') is the provision of financing to fellow subsidiaries of the ultimate parent company BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft.

Performance review

The profit for the year increased by *EUR2,222* from *EUR17,258* in 2010 to *EUR19,480* in 2011. At 31 December 2011, the net assets of the company stood at *EUR74,151* (2010 - *EUR54,671*).

Results and dividends

The result for the year ended 31 December 2011 is shown in the profit and loss account on page 4. The directors do not recommend the payment of a dividend in respect of ordinary shares (2010 - *EUR Nil*). Details of dividends in respect of the preference shares are set out in note 12 of the financial statements.

Going concern

The company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk are detailed in note 17 to the financial statements. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Furthermore, the company's receivables are due from its parent company, the ultimate parent company of which is a credit institution regulated by the Austrian Authorities and therefore subject to the capital requirements of Basel III. Accordingly, the going concern basis has been adopted in preparing these financial statements.

Directors

The directors who served during the year were:


Helen Grant
Gareth Essex-Cater
Edward Grech
Chris Ruark

In accordance with the Company's articles of association, the directors are to remain in office.

Auditor

A resolution to reappoint Deloitte LLP, as auditor to the company will be proposed at the forthcoming annual general meeting.

By order of the Board:


Authorised Signatory
State Street (Jersey) Limited
Secretary

Date: 30 April 2012

BAWAG Capital Finance (Jersey) II Limited

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

BAWAG Capital Finance (Jersey) II Limited

Profit and loss account

Year ended 31 December 2011

	<i>Notes</i>	2011 EUR	2010 EUR
Interest income	4	10,862,131	10,855,393
Interest expense	5	(10,800,000)	(10,800,000)
Net interest income		62,131	55,393
Administrative expenses		(42,651)	(38,135)
Profit before tax		19,480	17,258
Income tax expense	7	-	-
Profit for the year		19,480	17,258

All the items dealt with in arriving at the operating profit for the current and preceding years relate to continuing operations.

There are no recognised gains or losses in either year other than the profit for that year.

The notes on pages 7 to 16 form an integral part of these financial statements.

BAWAG Capital Finance (Jersey) II Limited

Balance sheet

31 December 2011

	Notes	2011 EUR	2010 EUR
ASSETS AND LIABILITIES			
Investments			
Loans advances to group company	9	150,000,000	150,000,000
Current assets			
Trade and other receivables	10	98,218	98,102
Cash and cash equivalents		1,118,705	982,357
		1,216,923	1,080,459
Total assets		151,216,923	151,080,459
Current liabilities			
Trade and other payables	11	1,139,172	1,022,188
Amounts due to related parties		3,600	3,600
		1,142,772	1,025,788
Liabilities			
Interest-bearing loans and borrowings	12	150,000,000	150,000,000
Total liabilities		151,142,772	151,025,788
Net assets		74,151	54,671
EQUITY			
Share capital	13	100	100
Retained earnings		74,051	54,571
Total equity		74,151	54,671

These financial statements were approved by the Board of Directors on 30 April 2011 and signed on its behalf by:

)
) DIRECTORS
)

Chris Ruark
Director

The notes on pages 7 to 16 form an integral part of these financial statements.

BAWAG Capital Finance (Jersey) II Limited

Statement of movement in shareholder's funds

Year ended 31 December 2011

	Share capital EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2010	100	37,313	37,413
Profit for the year	-	17,258	17,258
Balance at 1 January 2011	100	54,571	54,671
Profit for the year	-	19,480	19,480
Balance at 31 December 2011	100	74,051	74,151

The notes on pages 7 to 16 form an integral part of these financial statements.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

1. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The significant accounting policies adopted in these financial statements are set out below.

2. Significant accounting policies

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The company's investments are all classified as loans and receivables. Upon initial recognition loans and receivables are measured at fair value. After initial recognition loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial asset is derecognised or impaired and through the amortisation process.

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the straight line method.

(ii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Shares issued by the company

Ordinary shares issued by the company are classified as equity instruments.

Preference shares issued by the company are classified as financial liabilities. Preference shares are measured at amortised cost using the straight line method.

Redemptions or refinancings of equity instruments are recognised as changes in equity whereas gains or losses associated with redemptions or refinancings of financial liabilities are recognised in profit or loss.

Impairment

All assets are tested for impairment and at each balance sheet date, the carrying amount of assets, is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

For loans and receivables, if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly

Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably. Interest income is recognized by reference to the principal outstanding and is amortised to the profit and loss account on an effective interest yield basis over the life of the loan which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Issue costs

Issue costs of capital instruments are recognised as an expense in profit or loss in the period in which they are incurred.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

2. Significant accounting policies (continued)

Currency translation

The financial statements of the company are presented in its functional currency, the Euro, being the primary currency in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined.

Cash flow statement

Under Financial Reporting Standard No. 1 “Cash Flow Statements (Revised)”, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is wholly owned by BAWAG Finance Malta Limited, which in turn is wholly owned by BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft and whose consolidated financial statements, which include the company’s results, are publicly available.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the period in which they are declared.

Dividends to holders of equity instruments are debited directly to equity. Dividends relating to a financial liability, or to a component that is a financial liability, are recognised as an expense in profit or loss and are presented in the profit and loss account with finance charges

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The judgements made by management in the process of applying the company’s accounting policies are discussed in detail below:

In determining whether an impairment loss on the loan to the parent undertaking should be recorded in profit or loss, the company makes judgements as to whether there is any evidence of deterioration in the financial health of the investee, industry and sector performance, as well as changes in operational and financing cash flows.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Management is confident that the carrying amount of the loan to parent undertaking will be recovered in full. This situation will be closely monitored and impairment adjustments made in future periods if deemed necessary.

Management has made no other judgements which can significantly affect the amounts recognised in the financial statements and, at the balance sheet date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Interest income

	2011 EUR	2010 EUR
Interest Income - Bank interest income	9,631	2,893
Interest Income - Subordinated deposits	10,852,500	10,852,500
	<u>10,862,131</u>	<u>10,855,393</u>

5. Interest expense

	2011 EUR	2010 EUR
Finance costs on preference shares	10,800,000	10,800,000
	<u>10,800,000</u>	<u>10,800,000</u>

6. Auditor's remuneration

	2011 EUR	2010 EUR
This is stated after charging: Auditor's remuneration	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

7. Taxation

The company is subject to Jersey Income Tax at the rate of 0%.

8. Dividends

No dividends on ordinary shares were paid during the year (2010 - EUR Nil).

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

9. Loans and receivables

	Loan to parent Eur
Amortised cost	
As at 1 January 2010/2011	150,000,000
Amount expected to be settled after 12 months	150,000,000
As at 31 December 2011	150,000,000

The loan advanced to BAWAG Finance Malta Limited, a related company, falls due after more than one year. The loan advanced represents subordinated extendible cumulative fixed rate notes due in 2030, of a principal amount of EUR150 million. The notes had an original maturity date of 27 June 2010, but was extended on 30 December 2009 to 28 June 2030. The loan notes are in registered form and in denominations of EUR1,000. Initially notes bore interest from and including 27 June 2002 to but excluding 27 June 2030 at the rate of 7.235% per annum payable annually in arrears. During 2005 the company approved a novation agreement under which BAWAG Finance Malta Limited assumed, with effect from 27 June 2005, all of the rights and obligations of BAWAG International Finance Limited under the terms of the subordinated extendible cumulative fixed rate notes. The notes may be redeemed by BAWAG Finance Malta Limited in whole or in part at any time at a price equal to (i) 98% of their principal amount plus (ii) 0.4% of their principal amount in respect of each calendar year from 27 June 2002 up to a maximum redemption amount of 100% of their principal amount. In terms of the conditions of the notes issued by BAWAG Finance Malta Limited, the issuer has the right to redeem at any time subject that BAWAG Finance Malta Limited gives not less than 5 days' notice.

The fair value of the loans and receivables are not materially different from the fair values of the financial liabilities as disclosed in note 16.

10. Trade and other receivables

	2011 EUR	2010 EUR
Interest receivable on subordinated deposit	90,438	90,438
Interest receivable on time deposit	137	-
Prepayments	7,643	7,664
	98,218	98,102

The amounts owed by the parent undertaking are unsecured, interest free and are expected to be realised within 12 months after the balance sheet date.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

11. Trade and other payables

	2011 EUR	2010 EUR
Interest payable on preference shares	89,063	89,063
Dividends payable	1,040,625	928,125
Accrued expenses	9,484	5,000
	<u>1,139,172</u>	<u>1,022,188</u>

12. Other financial liabilities

	2011 EUR	2010 EUR
Amounts owed to related parties	3,600	3,600
Redeemable preference shares	150,000,000	150,000,000
	<u>150,003,600</u>	<u>150,003,600</u>
Less: Amounts due for settlement within 12 months (shown under current liabilities)	<u>(3,600)</u>	<u>(3,600)</u>
	<u>150,000,000</u>	<u>150,000,000</u>

The preference shares are preferred, perpetual non-cumulative, non-voting fixed rate shares. The preference shares are subject to non-cumulative preferential cash dividends at a rate of 7.2% per annum from 27 June 2002. The dividends are payable quarterly in arrears on 27 September, 27 December, 27 March and 27 June in each year. The preference shares are redeemable at the option of the company, subject to the prior consent of BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, in whole but not in part, at EUR1,000 per preference share plus accrued and unpaid dividends for the then current dividend period on the optional redemption date or any dividend date falling thereafter. The holders of the preference shares have the benefit of a support agreement entered into between the company and the ultimate parent company.

The preference shares are listed on the Frankfurt Stock Exchange and the Euronext Amsterdam Exchange.

13. Share capital

	Authorised share capital Eur	Issued share capital Eur
35,000,000 ordinary shares of Eur1 each (of which 100 have been issued and called up)	<u>35,000,000</u>	<u>100</u>

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

14. Cash and cash equivalents

Cash and cash equivalents comprise the following amount:

	2011 EUR	2010 EUR
Cash and cash equivalents	<u>1,118,705</u>	<u>982,357</u>

15. Related party disclosures

The parent and ultimate parent companies of BAWAG Capital Finance (Jersey) II Limited are BAWAG Finance Malta Limited and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft respectively, which are resident in Malta and Austria respectively. During the course of the year, the company entered into transactions with related parties as set out below.

	2011			2010		
	Related party activity Eur	Total activity Eur	%	Related party activity Eur	Total activity Eur	%
Interest income from BAWAG Finance Malta Limited	<u>10,852,500</u>	<u>10,862,131</u>	<u>99.91%</u>	<u>10,852,500</u>	<u>10,855,393</u>	<u>99.99%</u>
Administrative expenses	<u>14,400</u>	<u>42,652</u>	<u>34%</u>	<u>14,400</u>	<u>38,135</u>	<u>38%</u>

Chris Ruark, Gareth Essex-Cater and Helen Grant are employees of State Street (Jersey) Limited (Company Secretary). As at balance sheet date, G.P. Essex-Cater was also a shareholder of State Street (Jersey) Limited. Each of C. Ruark, G.P. Essex-Cater and H.C. Grant are employees of a subsidiary of State Street (Jersey) Limited. Affiliates of State Street (Jersey) Limited provide ongoing administrative services to the Company at commercial rates. During the Year ended 31 December 2011 the company was charged EUR12,171 (2010 - EUR15,826) by State Street (Jersey) Limited.

Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

The amounts due from and owed to related parties and are disclosed in notes 9 and 12 respectively.

16. Fair values of financial assets and financial liabilities

At 31 December 2011 the fair value of non-current financial liabilities with a carrying amount of EUR150m (2010 - EUR150m) amounted to EUR71.4m (2010 - EUR114m). At 31 December 2011 the fair value of the non-current financial assets with a carrying amount of EUR150m (2010 - EUR150m) is not materially different from the fair value of non-current financial liabilities.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

17. Financial risk management

The exposures to risk and the way risks arise, together with the company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of receivables, investments and cash at bank.

The company assesses the credit quality of its related parties by taking into account their financial standing, past experience and other factors.

Cash at bank is placed with reliable financial institutions.

Currency risk

Foreign currency transactions arise when the company avails or provides services whose price is denominated in a foreign currency, borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency or acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. The company is not exposed to foreign currency exchange rate risk, as both the financial asset and financial liability are denominated in Euros. There is no deemed exposure to currency risk as all assets and liabilities are in the same currency therefore no sensitivity analysis has been performed as it is not required.

Interest rate risk

The terms of the notes and the preference shares are such that the income from the notes matches, or exceeds the dividends payable on the preference shares. The company is not therefore exposed to interest rate risk. Therefore no sensitivity analysis has been performed.

Liquidity risk

The company monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments associated with financial instruments and by maintaining adequate banking facilities. The notes had an original maturity date of 27 June 2010, but was extended on 30 December 2009 to 28 June 2030.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

17. Financial risk management (continued)

Sensitivity analysis

Under FRS 29 'Financial instruments: Disclosures' there is a requirement to perform sensitivity analysis. It is deemed that it is not relevant to perform sensitivity analysis as a change in interest rates, market returns or foreign exchange will have an equal and opposite effect on the assets and liabilities and income interest and expense. Therefore no sensitivity analysis has been performed.

Capital risk management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The company's directors manage the company's capital structure and review it on an ongoing basis through the payments of dividends, redemptions and new share issues.

The capital structure of the company consists of preference shares disclosed in note 12 and loans to the parent undertaking as disclosed in note 9.

Financial assets

Currency	Fixed rate financial assets	
	2011 EUR'000	2010 EUR'000
Euro	<u>150,000</u>	<u>150,000</u>

Currency	Fixed rate financial assets			
	Weighted average interest rate		Weighted average period for which rate is determined	
	2011	2010	2011	2010
Euro	7.235%	7.235%	19 years	20 years

Further information relating to the interest rate and the maturity of the fixed rate financial assets can be found in note 9.

BAWAG Capital Finance (Jersey) II Limited

Notes to the financial statements

31 December 2011

17. Financial risk management (continued)

Financial liabilities

Currency	Fixed rate financial liabilities	
	2011 EUR'000	2010 EUR'000
Euro	<u>150,000</u>	<u>150,000</u>

Currency	Fixed rate financial assets			
	Weighted average interest rate		Weighted average period for which rate is determined	
	2011	2010	2011	2010
Euro	7.2%	7.2%	19 years	20 years

The fixed rate financial liabilities mature on 27 June 2030 and bear interest at a rate of 7.2% (2010 – 7.2%).

18. Post balance sheet events

The ultimate parent company BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft announced on 20 February 2012 a public offer to tender for the purchase of the outstanding preference shares in the amount of EUR 150 million issued by the Company. On 6 March 2012, BAWAG P.S.K. purchased preference shares at a face value of EUR 67 million from the holders of the preference shares.

Subsequent to this purchase, the ultimate parent company sold the preference shares to the Company in exchange for subordinated notes held by the Company as disclosed in Note 9 of the financial statements. The equivalent nominal values of the preference shares and of the notes were then fully off-set.

The above buy-back transaction was approved by the Austrian Financial Market Authority.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAWAG CAPITAL FINANCE (JERSEY) II LIMITED

We have audited the financial statements of Bawag Capital Finance (Jersey) II Limited for the Year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement to Movement in shareholder's funds and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditor.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:


- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAWAG CAPITAL
FINANCE (JERSEY) II LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.



Andrew Isham BA, FCA
for and on behalf of
Deloitte LLP
Chartered Accountants and Recognized Auditor
Jersey

30 April 2012