

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

**Unaudited Interim  
Financial Statements**

**30 June 2009**

# BAWAG Capital Finance (Jersey) II Limited

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

## **Directors, officers and other information**

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<i>Directors</i>	Chris Ruark Edward Grech Gareth Essex-Cater Daniel Le Blancq Helen Grant
<i>Secretary:</i>	Mourant & Co Secretaries 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>	Bank Fuer Arbeit Und Wirtschaft und Osterreichische Postsparkasse AG Georg-Coch-Platz 2 1018 Vienna Austria  The Royal Bank of Scotland International Royal Bank House 71 Bath Street St. Helier Jersey
<i>Legal advisers:</i>	Mourant du Feu & Jeune 22 Grenville Street St. Helier Jersey

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

## **Interim Management Report**

For the Period ended 30 June 2009

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The directors present their report and the unaudited financial statements for the period ended 30 June 2009.

### **Principal activity**

The principal activity of the company is the provision of financing to group companies.

### **Performance review**


The unaudited profit for the period amounted to €4,942. As at 30 June 2009, the unaudited net assets of the company stood at €35,877 (31.12.2008: €30,935). The Company has performed in line with expectations and no material events occurred during the period to 30 June 2009 other than the expected activities of the Company.

With regards to the principal risks and uncertainties for the remaining six months we would like to refer to the notes of the financial statements on pages 6 to 9.

### **Directors**

The directors who served during the period were those stated on page 1. There were no changes in directors during the period under review.

For and on behalf of the Board of Directors



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Director

Date: 20 October 2009

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

## **Statement of Persons Responsible with the Issuer**

Period ended 30 June 2009

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We confirm to the best of our knowledge that the condensed set of financial statements for the period to 30 June 2009 give a true and fair view of assets, liabilities, financial position and profit or loss of the Company as required by the applicable accounting standards and the Interim Management Report gives a true and fair view of important events that have occurred during the first six months of the financial year and of their impact on the condensed set of financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

For and on behalf of the Board of Directors



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Director

Date: 20 October 2009

# BAWAG Capital Finance (Jersey) II Limited

## Income statement

Period ended 30 June 2009

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	<i>Notes</i>	<b>30.06.2009</b> EUR	<b>31.12.2008</b> EUR
Interest income	2	<b>5,426,729</b>	10,853,906
Interest expense	3	<b>(5,400,000)</b>	(10,800,712)
Net interest income		<b>26,729</b>	53,194
Administrative expenses		<b>(21,787)</b>	(23,659)
Profit for the year		<b>4,942</b>	29,535

The notes on pages 6 to 9 form an integral part of these financial statements.

# BAWAG Capital Finance (Jersey) II Limited

## Balance sheet

30 June 2009

	<i>Notes</i>	<b>30.06.2009</b> EUR	<b>31.12.2008</b> EUR
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Loans and receivables	4	150,000,000	150,000,000
<b>Current assets</b>			
Trade and other receivables	5	91,241	98,116
Cash and cash equivalents	6	806,143	731,194
		897,384	829,310
<b>Total assets</b>		<b>150,897,384</b>	<b>150,829,310</b>
<b>Current liabilities</b>			
Trade and other payables	7	861,507	798,375
		861,507	798,375
<b>Non-current liabilities</b>			
Other financial liabilities	8	150,000,000	150,000,000
<b>Total liabilities</b>		<b>150,861,507</b>	<b>150,798,375</b>
<b>Net assets</b>		<b>35,877</b>	<b>30,935</b>
<b>EQUITY</b>			
Share capital	9	100	100
Retained earnings		35,777	30,835
<b>Total equity</b>		<b>35,877</b>	<b>30,935</b>

The unaudited interim financial statements were approved by the Board of Directors on 20 October 2009 and signed on its behalf by:



Director

Date: 20 October 2009

The notes on pages 6 to 9 form an integral part of these financial statements.

# BAWAG Capital Finance (Jersey) II Limited

## Notes to the financial statements

31 December 2008

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### 1. Basis of preparation and accounting policies

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 similar to the accounting policies adopted in the preparation of the Yr 2008 financial statements.

### 2. Interest income

	30.06.2009 EUR	31.12.2008 EUR
Interest income on loan notes	5,426,250	10,852,500
Interest income on cash at bank	479	1,406
	----- 5,426,729 =====	----- 10,853,906 =====

### 3. Interest expense

	30.06.2009 EUR	31.12.2008 EUR
Finance costs on preference shares	5,400,000	10,800,000
Amortisation of discount	0	712
	----- 5,400,000 =====	----- 10,800,712 =====

### 4. Financial assets

#### *Loans and receivables*

	30.06.2009 EUR	31.12.2008 EUR
Amortised cost	150,000,000 =====	150,000,000 =====

The loan represents an advance to a group company and falls due after one year. The loan advanced represents subordinated extendible cumulative fixed/floating rate notes due in 2010, of a principal amount of €150 million. The notes are in registered form and in denominations of €1,000. The notes bear interest from and including 27 June 2002 to but excluding 27 June 2010 at the rate of 7.235% per annum payable annually in arrears.



# BAWAG Capital Finance (Jersey) II Limited

## Notes to the financial statements

30 June 2009

### 5. Trade and other receivables

	30.06.2009 EUR	31.12.2008 EUR
Amounts owed by parent	90,438	90,438
Prepayments and accrued income	803	5,596
	<u>91,241</u>	<u>96,034</u>

### 6. Cash and cash equivalents

Cash and cash equivalents comprise the following amount:

	30.06.2009 EUR	31.12.2008 EUR
Cash at bank and on hand	<u>806,143</u>	<u>731,194</u>

### 7. Trade and other payables

	30.06.2009 EUR	31.12.2008 EUR
Interest payable on preference shares	849,375	793,125
Amounts owed to group companies	3,600	-
Accruals	8,532	5,250
	<u>861,507</u>	<u>798,375</u>

### 8. Other financial liabilities

	30.06.2009 EUR	31.12.2008 EUR
Redeemable preference shares	<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 Bank Fuer Arbeit Und Wirtschaft Und Osterreichische Postsparkasse Aktiengesellschaft, in whole but not in part, at €25 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.

# BAWAG Capital Finance (Jersey) II Limited

## Notes to the financial statements

30 June 2009

### 9 Share capital

	2009 and 2008	
	Authorised EUR	Issued and called up EUR
35,000,000 ordinary shares of <i>Eur1</i> each (of which 100 have been issued and called up)	<b>35,000,000</b>	<b>100</b>

### 10. Related party disclosures

The parent and ultimate parent companies of BAWAG Capital Finance (Jersey) II Limited are BAWAG Finance Malta Limited and BAWAG PSK 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.

	30.06.2009 EUR	31.12.2008 EUR
Interest income	5,426,713	10,852,500
Interest expense	(5,400,000)	(10,800,000)
	----- 26,713	----- 52,500
	=====	=====
Administrative expenses	(3,700)	-
	=====	=====

G.P. Essex-Cater is a shareholder of Mourant Limited. Each of G.P. Essex-Cater, H.C. Grant, D.J. Le Blancq and Chris Ruark is an employee of a subsidiary of Mourant Limited. Affiliates of Mourant Limited provide ongoing administrative services to the Company at commercial rates. During the period ended 30 June 2009, the company was charged €Nil by Mourant & Co. Limited. (Yr 2008 to 31.12.2008: €12,000)

# BAWAG Capital Finance (Jersey) II Limited

## Notes to the financial statements

31 December 2008

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### 11 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.

#### *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.

#### *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.

#### *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 capital structure of the company consists of preference shares disclosed in note 8 and loans to the parent undertaking as disclosed in note 4.

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.