BA-CA Finance (Cayman) Limited

Financial Statements
for the year ended December 31, 2009
And Independent Auditor's report

BA-CA FINANCE (CAYMAN) LIMITED

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KPMG

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Independent Auditors' Report to the Shareholder

To the Shareholder of
BA-CA Finance (Cayman) Limited

We have audited the accompanying financial statements of BA-CA Finance (Cayman) Limited (the "Company"), which comprise the statement of financial position as at December 31, 2009 and the statement of comprehensive income, statement of changes in shareholder's equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

March 29, 2010

BA-CA Finance (Cayman) Limited
Statement of Financial Position
December 31, 2009
(stated in Euro)

	Note	2009	2008
ASSETS			
Cash		€ 75	€ 2,723,870
Subordinated deposit	3,6	245,000,000	245,000,000
Time deposit		3,471,063	-
Interest receivable	3	1,761,305	2,186,625
		€ 250,232,443	€ 249,910,495
LIABILITIES			
Hybrid subordinated securities (net of unamortised transaction costs of €2,477,872) (2008: €2,992,589)	4,6	€ 247,522,127	€ 247,007,410
Interest payable		1,627,937	2,053,188
Other liabilities	5	28,824	9,203
		€ 249,178,888	€ 249,069,801
SHAREHOLDER'S EQUITY			
Ordinary shares, €1 par value 15,000 shares authorised and outstanding	7	15,000	15,000
Retained earnings		1,038,555	825,694
		€ 1,053,555	€ 840,694
		€ 250,232,443	€ 249,910,495

See accompanying notes to Financial Statements.

Approved on behalf of the Board on March 29, 2010

NICOLA CORSETTI
____________________ Director

BA-CA Finance (Cayman) Limited
Statement of Comprehensive Income
Year ended December 31, 2009
(*stated in Euro)*

	Note	2009	2008
INCOME			
Interest income	3,5	**€ 10,315,698**	**€ 12,451,923**
EXPENSES			
Interest expense	4	**10,064,750**	**12,205,563**
Administrative expenses	5	**38,087**	**37,167**
		10,102,837	**12,242,730**
NET INCOME		**€ 212,861**	**€ 209,193**

See accompanying notes to Financial Statements.

BA-CA Finance (Cayman) Limited
Statement of Changes in Shareholder's Equity
Year ended December 31, 2009
(stated in Euro)

		Share capital	Retained earnings	Total
As at December 31, 2007	€	15,000	616,501	631,501
Net income for the year		0	209,193	209,193
As at December 31, 2008	**€**	**15,000**	**825,694**	**840,694**
Net income for the year		0	212,861	212,861
As at December 31, 2009	**€**	**15,000**	**1,038,555**	**1,053,555**

See accompanying notes to Financial Statements.

BA-CA Finance (Cayman) Limited
Statement of Cash Flows
Year ended December 31, 2009
(stated in Euro)

	2009	2008
CASH PROVIDED BY/(USED IN):		
OPERATING ACTIVITIES		
Net income	**€ 212,861**	**€ 209,193**
Adjustment for item not affecting cash:		
Amortisation of transaction costs relating to the issuance of hybrid subordinated securities	**514,717**	**516,125**
Changes in operating assets and liabilities:		
Time deposit	**(3,471,063)**	**0**
Interest receivable	**425,320**	**(23,195)**
Interest payable	**(425,251)**	**23,188**
Other liabilities	**19,621**	**1,352**
CHANGE IN CASH	**(2,723,795)**	**726,663**
CASH, BEGINNING OF YEAR	**2,723,870**	**1,997,207**
CASH, END OF YEAR	**€ 75**	**€ 2,723,870**
SUPPLEMENTARY INFORMATION		
Interest received	10,737,125	12,428,728
Interest paid	€ (9,975,000)	€ (11,666,250)

See accompanying notes to Financial Statements

1. The Company and its principal activity

BA-CA Finance (Cayman) Limited (the "Company") is a wholly owned subsidiary of Alpine Cayman Islands Ltd. (the "Parent") and an indirect wholly-owned subsidiary of UniCredit Bank Austria AG (formerly Bank Austria Creditanstalt AG).

With effect from November 2, 2007, the sole shareholder of the Company changed its name from Bank Austria Cayman Islands Ltd. to UniCredit Bank Cayman Islands Ltd. With effect from January 21, 2009, the sole shareholder of the Company changed its name from UniCredit Bank Cayman Islands Ltd. to Alpine Cayman Islands Ltd.

The Company was incorporated in the Cayman Islands on September 23, 2004 for an unlimited duration and with limited liability under the Companies Law of the Cayman Islands. By written resolution dated September 30, 2004, the Company changed its name from BA Tier I Capital Ltd. to BA-CA Finance (Cayman) Limited. The Company is economically dependent on the Parent.

The Company was established to issue hybrid subordinated securities. The proceeds of these securities were advanced to the Parent and are used for general corporate purposes of UniCredit Bank Austria AG, its subsidiaries and affiliates.

The Company has received an undertaking from the Cayman Islands Government exempting it from all local income, profits, and capital gains taxes until October 12, 2024. No such taxes are levied in the Cayman Islands at the present time.

The Company's registered office is located at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies have been applied consistently by the Company and are consistent with those used in previous years.

(b) Basis of preparation

The financial statements are presented in Euro.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. Significant accounting policies (continued)

(*b) Basis of preparation*

The Company applies revised IAS1 *Presentation of Financial Statements* (2007), which became effective as of January 1, 2009. As a result, the Company presents in the statement of shareholder's equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. The adoption of this standard has impacts only on presentation aspects and does not impact the amounts reported in the current or prior financial periods.

(c) Cash

Cash consist of cash balance on deposit with a financial institution with maturity of three months or less.

(d) Term deposit

Time deposit consists of cash balance on deposit with a financial institution with maturity of six months.

(e) Subordinated deposit

The subordinated deposit consists of interest bearing balances held with the Parent.

(f) Hybrid subordinated securities

Hybrid subordinated securities have been classified by the Company as a liability in accordance with International Accounting Standard #32, *Financial Instruments: Disclosure and Presentation* ("IAS 32"). In the event of the winding-up of the Company, holders at the time will be entitled to receive the nominal value of each security plus accrued and unpaid dividends, but will have no right or claim to any of the remaining assets of the Company. Dividend payments made to holders of the securities are classified as interest expense on the statement of comprehensive income.

The securities are initially recognised at nominal value less transaction costs, and the transaction costs are amortised over ten years (the estimated life of the securities). The amortisation of the transaction costs is included in interest expense.

(g) Interest income and expense

Interest income and expense are recorded on an accrual basis. Interest income comprises interest earned on cash and subordinated deposit. Interest expense comprises dividend payments on hybrid subordinated securities.

3. Subordinated deposit

Upon receipt of proceeds from issuance of the hybrid subordinated securities, the Company deposited an amount of €245,000,000 with the Parent. The deposit, together with any accrued interest and costs and expenses in connection therewith, are subordinated to the claims of all the creditors of the Parent, but are senior to the claims of the holders of the ordinary shares of the Parent.

The deposit bears interest at a variable rate as stipulated in the subordinated deposit agreement (the "Deposit Agreement") dated October 25, 2004. Interest is receivable semi-annually in arrears. The deposit is repayable solely at the option of the Parent.

4. Hybrid subordinated securities

On October 28, 2004 the Company issued 250,000 Perpetual Non-Cumulative Non-Voting Fixed/Floating Rate Preferred Securities at €1,000 each. These securities are listed on Euronext Amsterdam N.V.

These securities are redeemable at the option of the Company, subject to the prior consent of UniCredit Bank Austria AG.

The hybrid subordinated securities entitle holders to receive non-cumulative preferential cash dividends subject to certain limitations. These limitations are identified in the offering circular (dated October 25, 2004).

a) Unavailability of distributable profit.
b) UniCredit Bank Austria AG determined that in accordance with Austrian Banking regulations, UniCredit Bank Austria AG fails to meet capital ratios and would be limited in making payment to holders hybrid subordinated securities.
c) There is in effect, any law of relevant regulatory authority which prohibits UniCredit Bank Austria AG from making any payment to holders hybrid subordinated securities.

For the period from (and including) October 28, 2004 to October 28, 2005, the preferential cash dividends were calculated at a rate of 6% per annum; after October 28, 2005, the preferential cash dividends were calculated at a variable rate as stipulated in the offering circular dated October 25, 2004. The dividends are payable semi-annually in arrears with the first payment having been made as scheduled on April 28, 2005. The dividends are reported as interest expense in the accompanying financial statements.

These securities were issued with the benefit of a support agreement entered into with UniCredit Bank Austria AG. Should the Company have insufficient funds to enable it to meet in full all of its obligations under or in respect of these securities, UniCredit Bank Austria AG will make available to the Company sufficient funds to enable it to meet its payment obligations.

(stated in Euro)

5. Related party transactions

Interest income and accrued interest is comprised of interest earned on the subordinated deposit held with the Parent.

In addition, the Company owed as payable to the Parent the amount of €27,682 and Nil at December 31, 2009 and 2008, respectively.

The Company paid administrative fees of €25,000 in each of 2009 and 2008 to the Parent. These amounts are included in administrative expenses.

6. Fair value disclosure of financial instruments

The following disclosures represent the Company's best estimate of the fair value of financial instruments. The fair value of exchange-traded securities is based on current market quotations.

The carrying and fair values of certain financial instruments as of December 31, 2009 are summarized as follows:

	Carrying value	Fair value
Assets:		
Subordinated deposit	€ 245,000,000	€ 116,426,460
Liabilities:		
Hybrid subordinated securities	247,522,127	117,625,000

The carrying and fair values of certain financial instruments as of December 31, 2008 are summarised as follows:

Assets:		
Subordinated deposit	€ 245,000,000	€ 86,788,894
Liabilities:		
Hybrid subordinated securities	247,007,410	87,500,000

The fair value of financial instruments that are short-term in nature or re-priced frequently and have a history of negligible credit losses is considered to approximate their carrying value. Those instruments include balances recorded in interest receivable, cash, interest payable and other liabilities.

6. Fair value disclosure at financial instruments (continued)

Credit risk

Credit risk arises from the chance of counterparties defaulting on their contractual obligations. The risk of credit losses is mitigated as the Parent is a part of a large multinational bank with high credit ratings.

Market risk

Market risk is the potential loss the Company may incur as a result of changes in the market prices of a particular instrument, whether these changes are caused by factors specific to the instrument or its issuer or factors affecting all securities traded in the market. The Company is not directly exposed to any market risk on its financial instruments as the carrying value is not fair value.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the interest rates on the subordinated deposit and hybrid subordinated securities are reset at the same time, and determined using the same reference rate, interest rate risk is perfectly hedged.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The liquidity risk is mitigated by timing the payment obligations on its hybrid subordinated securities concurrently with the liquidity terms of the subordinated deposit.

7. Share capital

		2009	2008
Authorised:			
15,000 shares of €1 each	€	15,000	15,000
Allotted, called up and fully paid:			
15,000 shares	€	15,000	15,000