

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

**Unaudited Interim
Financial Statements**

30 June 2013

BAWAG Capital Finance (Jersey) II Limited

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BAWAG Capital Finance (Jersey) II Limited

Directors, Officers and Other Information

<i>Directors</i>	Gareth Essex-Cater Helen Grant Edward Grech Francois Chesnay
<i>Secretary:</i>	Sanne Secretaries Limited
<i>Registered office:</i>	13, Castle Street St Helier Jersey JE4 5UT
<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 2 A-1018 Vienna Austria The Royal Bank of Scotland International Royal Bank House 71 Bath Street St. Helier Jersey

BAWAG Capital Finance (Jersey) II Limited

Interim Management Report

For the Period ended 30 June 2013

The directors present their report and the unaudited financial statements of BAWAG Capital Finance (Jersey) II Limited ('the Company') for the period ended 30 June 2013.

Principal activity

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

Performance review

The unaudited loss for the period amounted to EUR 4,996. The loss has resulted from reduced net interest-bearing assets and following the buy-back transaction concluded in March 2012. Details on the buy-back transaction were fully disclosed in the Yr 2012 Annual Report and Financial Statements.

As at 30 June 2013, the unaudited net assets of the Company stood at EUR 515,672 (31.12.2012: EUR 520,668). The reduction in net assets is mainly due to the operational loss incurred during the period under review. The Company has performed in line with expectations and there were no material events occurring during the period to 30 June 2013 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:

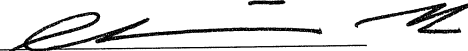
Gareth Essex-Cater
Helen Grant
Edward Grech
Chris Ruark (appointed 1 June 2013)
Francois Chesnay (resigned 1 June 2013)

Change in Secretary and Registered Office

The secretary of the Company throughout the period was State Street Secretaries (Jersey) Limited. The Company secretary has changed from State Street Secretaries (Jersey) Limited to Sanne Secretaries Limited with effect from 1st June 2013.

The registered office prior to the 1st June 2013 was 22 Grenville Street St. Helier, Jersey, Channel Islands JE4 8PX. The registered office has changed to 13 Castle Street, St. Helier Jersey, Channel Islands JE4 5UT with effect from 1st June 2013.

For and on behalf of the Board of Directors



Director

Christopher Ruark
Director

Date: 12 August 2013

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.

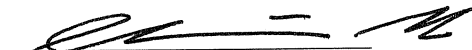
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding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

Statement of Persons Responsible with the Issuer

With regard to SI 277/207 Transparency (Directive 2004/109/EC) Regulation 2007 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 condensed set of Financial Statements for the period ended 30 June 2013 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 under review and their impact on the Financial Statements. The principal risks and uncertainties faced by the Company are disclosed in Note 11 of these financial statements.

For and on behalf of the Board of Directors

Christopher Ruark
Director



Director

Date: 12 August 2013

BAWAG Capital Finance (Jersey) II Limited

Profit and Loss Account

Period ended 30 June 2013

	<i>Notes</i>	30.06.2013 EUR	31.12.2012 EUR
Interest income	2	3,016,391	7,203,025
Interest expense	3	(3,001,626)	(6,688,204)
		-----	-----
Net interest income		14,765	514,821
Administrative expenses		(19,761)	(68,305)
		-----	-----
(Loss)/profit for the year		(4,996)	446,516
		=====	=====

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

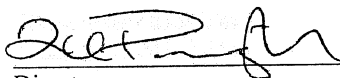
BAWAG Capital Finance (Jersey) II Limited

Balance Sheet

30 June 2013

	<i>Notes</i>	30.06.2013 EUR	31.12.2012 EUR
ASSETS AND LIABILITIES			
Non-current assets			
Loans and receivables	4	83,379,000	83,379,000
Current assets			
Trade and other receivables	5	51,460	58,867
Cash and cash equivalents	6	1,193,499	1,160,379
		1,244,959	1,219,246
Total assets		84,623,959	84,598,246
Current liabilities			
Trade and other payables	7	726,187	695,478
Amounts owed to related parties	8	3,600	3,600
		729,787	699,078
Non-current liabilities			
Other financial liabilities	8	83,378,500	83,378,500
Total liabilities		84,108,287	84,077,578
Net assets		515,672	520,668
EQUITY			
Share capital	9	100	100
Retained earnings		515,572	520,568
Total equity		515,672	520,668

The unaudited interim financial statements were approved by the Board of Directors on 12 August 2013 and signed on its behalf by:


Director

Date: 12 August 2013

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

BAWAG Capital Finance (Jersey) II Limited

Notes to the Interim Financial Statements

30 June 2013

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 2012 audited financial statements.

2. Interest income

	30.06.2013 EUR	31.12.2012 EUR
Interest income on subordinated deposits	3,016,235	7,197,311
Interest income on bank deposits	156	5,714
	----- 3,016,391 =====	----- 7,203,025 =====

3. Interest expense

	30.06.2013 EUR	31.12.2012 EUR
Finance costs on preference shares	3,001,626	6,688,204
	=====	=====

4. Financial assets

Loans and receivables

	30.06.2013 EUR	31.12.2012 EUR
Amortised cost	83,379,000	83,379,000
	=====	=====

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 2030, of a principal amount of EUR 83,379,000. The notes are in registered form and in denominations of EUR 1,000. The notes bear interest from and including 27 June 2002 to but excluding 27 June 2030 at the rate of 7.235% per annum payable quarterly in arrears 27 March, 27 June, 27 September and 27 December.

BAWAG Capital Finance (Jersey) II Limited

Notes to the Interim Financial Statements

30 June 2013

5. Trade and other receivables

	30.06.2013 EUR	31.12.2012 EUR
Interest receivable on subordinated deposits	50,271	50,271
Interest receivable on bank deposits	4	3
Prepayments	1,185	8,593
	-----	-----
	51,460	58,867
	=====	=====

6. Cash and cash equivalents

	30.06.2013 EUR	31.12.2012 EUR
Cash at bank	1,193,499	1,160,379
	=====	=====

7. Trade and other payables

	30.06.2013 EUR	31.12.2012 EUR
Interest payable on preference shares	721,745	690,478
Accrued expenses	4,442	5,000
	-----	-----
	726,187	695,478
	=====	=====

8. Other financial liabilities

	30.06.2013 EUR	31.12.2012 EUR
Amounts owed to related parties	3,600	3,600
Redeemable preference shares	83,378,500	83,378,500
	-----	-----
	83,382,100	83,382,100
	=====	=====

The Preference Shares are preferred, perpetual non-cumulative, non-voting fixed rate shares (the 'Preference Shares'). The Preference Shares are subject to non-cumulative preferential cash dividends at a rate of 7.125% 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.

BAWAG Capital Finance (Jersey) II Limited

Notes to the Interim Financial Statements

30 June 2013

8. Other Financial Liabilities (continued)

The Preference Shares are redeemable at the option of the Company, subject to the prior consent of BAWAG P.S.K. Bank fuer Arbeit Und Wirtschaft Und Osterreichische Postsparkasse Aktiengesellschaft, in whole but not in part, at EUR 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.

9. Share capital

	2013 and 2012	
	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)	<u>35,000,000</u>	<u>100</u>

10. 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 its parent and ultimate parent companies as set out below.

	30.06.2013 EUR	31.12.2012 EUR
Interest income	<u>3,016,391</u>	<u>7,202,999</u>
Administrative expenses	<u>(7,291)</u>	<u>(14,627)</u>

Each of C.Ruark, H.C. Grant, G.P. Essex-Cater and F.X.A. Chesnay is/was an employee of a subsidiary of State Street Corporation ("SSC"). SSC was the Company Secretary up till 31st May 2013. As at this date, C.Ruark and G.P. Essex-Cater were also shareholders of an affiliate of SSC. Affiliates of SSC provided ongoing administrative services to the Company at commercial rates. After 31st May 2013, the duties of Company Secretary were taken over by Sanne Secretaries Limited.

BAWAG Capital Finance (Jersey) II Limited

Notes to the Interim Financial Statements

30 June 2013

10. Related party disclosures (continued)

During the period ended 30 June 2013 the company was charged EUR5,322 (2012: EUR40,153) by State Street (Jersey) Limited.

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

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.

BAWAG Capital Finance (Jersey) II Limited

Notes to the Interim Financial Statements

30 June 2013

11. Financial risk management (continued)

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.