
J&T BANK, a. s.
Branch of foreign bank
Public information
as at 31.3.2009

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1.1 INFORMATION ABOUT ACTIVITY OF J&T BANK, A.S., BRANCH OF FOREIGN BANK

Total number of employees according to state in records as at 31.3.2009 : 88

Number of head employees according to state in records as at 31.3.2009: 9

Date of incorporation: 23.11.2005

Date when banking permit was granted: Notice of the National Bank of Slovakia on the conditions of operations of the branch in the territory of the Slovak Republic on the basis of single banking permit in compliance with Article 12 Act No. 483/2001 Cill. on Banks and on Modification and Amendment of Central Laws was issued on 4.11.2005.

Date of 1st extension of the banking permit: Notice of the National Bank of Slovakia pursuant to Article 26 Directive 2006/48/ES concerning extension of authorisation to perform banking activities through branch of foreign bank in the territory of the Slovak Republic as of 24.7.2007.

Date of 2nd extension of the banking permit: Notice of the National Bank of Slovakia pursuant to Article 26 Directive 2006/48/ES concerning extension of authorisation to perform banking activities through branch of foreign bank in the territory of Slovak Republic as of 22.2.2008

Date of commencement of performance of permitted banking activities:: 06.03.2006

List of activities being performed according to the granted permit

As at 31.3.2009, J&T BANKA, a.s., branch of foreign bank, was performing the following activities:

- a) accepting deposits from the public,
- b) granting loans,
- c) payment transaction and clearance,
- d) granting guarantees,
- e) issuance and administration of means of payment,
- f) trading on own account or on account of client in cash in foreign currencies, namely in the extent of trading on own account,
- g) providing information,
- h) trading in transferable securities on account of client,
- i) custody and administration of securities.

List of permitted activities not being performed

As at 31.3.2009, J&T Banka, a.s., branch of foreign bank, did not perform the following permitted activities:

- a) financial leasing),
- b) trading on own account or on account of client:
 - 1. in money market instruments,
 - 2. in the area of futures,
 - 3. in transferable securities; namely in the extent of trading on own account,
- c) custody of valuables,
- d) trading on account of client in instruments of money market,
- e) trading on account of client in foreign exchange.

List of activities performance of which was limited, temporarily suspended or cancelled the relevant authority

J&T BANK, a.s., branch of foreign bank does not have limited, suspended or cancelled activities.

Citation of statement part of valid decision, which imposed remedial measure during the calendar quarter-year

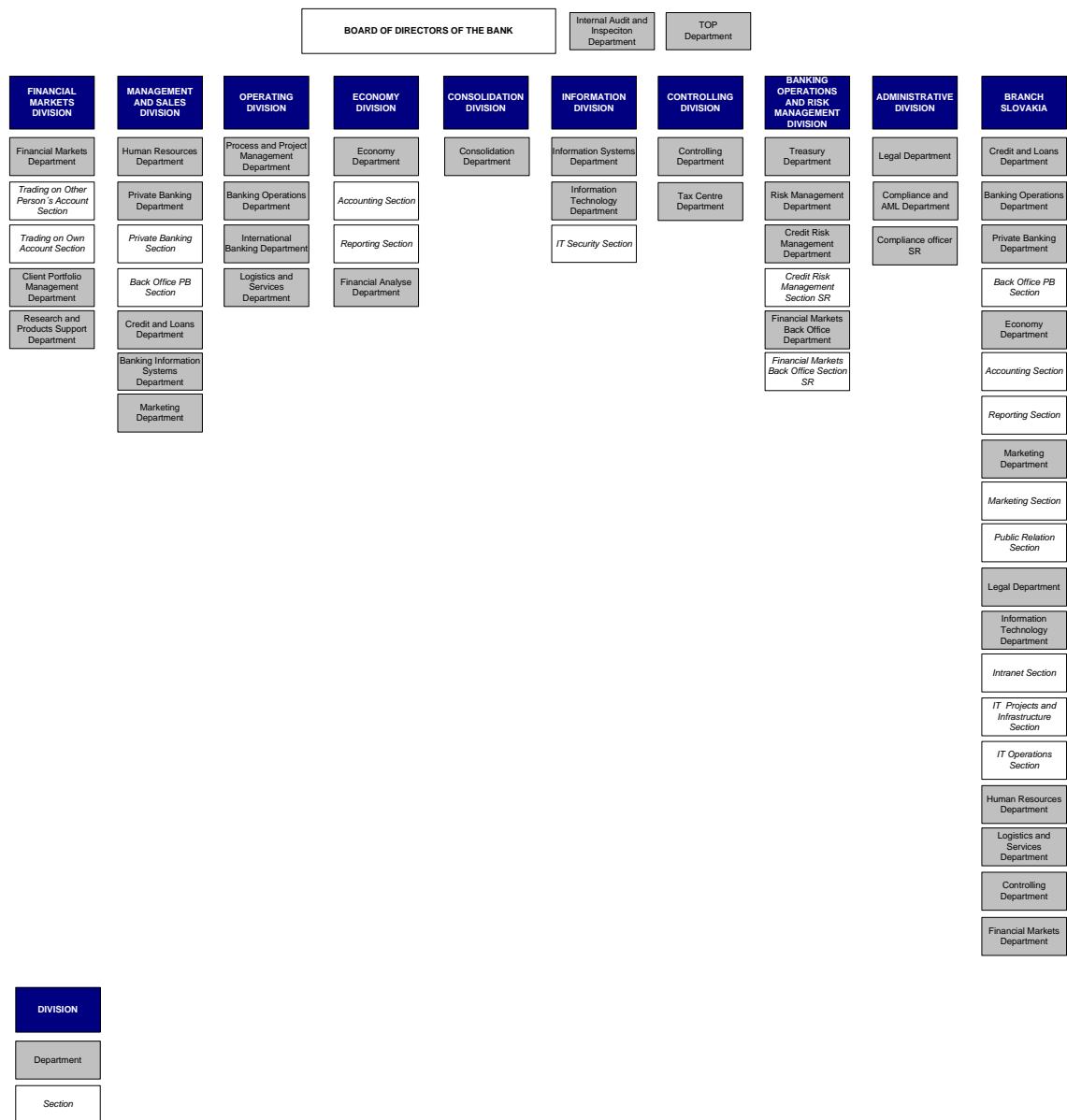
No valid decision, which would impose remedial measure, was imposed on the J&T BANK, a.s., branch of foreign bank.

Citation of statement part of valid decision, which imposed fine during the calendar quarter-year

No valid decision, which would impose fine, was imposed on the J&T BANK, a.s., branch of foreign bank.

1.2 ORGANIZATIONAL STRUCTURE OF THE BANK

Valid as at 31.3.2009



BALANCE SHEET
as at 31.3.2009**ASSETS**

(in '000 EUR)	notes	2009	2008
Cash and cash equivalents	6.5	172 457	135 835
Receivables from banks	6.7	4 644	136 575
Receivables from clients	6.8	560 306	576 227
Property and equipment	6.9	497	565
Other assets	6.11	58	19
Prepayments and accrued incomes		1	4
Total		737 963	849 225

LIABILITIES

(in '000 EUR)	notes	2009	2008
Liabilities towards clients	6.12	255 959	253 014
Bills of exchange		332	332
Other liabilities	6.13	1 332	670
Corporate income tax	6.14	243	1241
Prepayments and accrued incomes		-	2
Total		257 856	255 259

LIABILITIES TOWARDS HEAD OFFICE

(in '000 EUR)	notes	2009	2008
Liabilities towards Head Office	6.15	480 107	593 699
		480 107	593 699
		737 963	849 225

Notes enlisted on pages 10 to 36 are a part of this financial statement.

Ing. Monika Céreová
Head of J&T Banka, branch Bratislava and organizational unit manager

Ing. Zdenka Labašová
Economic division director

Ing. Mária Rybárová
Responsible for book-keeping

PROFIT AND LOSS STATEMENT
For the 3 months ended on 31st March 2009

(in '000 EUR)	notes	2008	2007
Interest income	6.17	8 737	7 590
Interest expense	6.18	(4 947)	(4 317)
Net interest income		3 790	3 273
Fee and commission income	6.19	241	49
Fee and commission expense	6.20	(6)	(10)
Net trading income	6.21	72	141
Other income	6.22	70	5
Operating income		4 167	3 458
General operating expense	6.23	(1 208)	(816)
Depreciation	6.9	(68)	(55)
Operating expense		(1 276)	(871)
Decrease of the value of receivables towards clients	6.8	(1 959)	-
Increase of the value of receivables towards clients	6.8	1 675	-
Profit before tax		2 607	2 587
Tax	6.24	(555)	(502)
Profit after tax		2 052	2 085

Notes enlisted on pages 10 to 36 are a part of this financial statement.

ACCOUNTED INCOMES AND EXPENSES
For the 3 months ended on 31st March 2009

(in '000 EUR)	2009	2008
Profit for the period	2 052	2 085
Total accounted incomes for the period	2 052	2 085

Notes enlisted on pages 10 to 44 are a part of this financial statement.

CASH FLOW STATEMENT
For the 3 months ended on 31st March 2009

(in '000 EUR)	notes	2009	2008
Cash flows from operating activities			
Profit before tax		2 607	2 587
Adjustments for non-cash operations:			
Depreciation		68	55
Reduction of the value of receivables towards clients		1 959	-
Increase of the value of receivables towards clients		(1 675)	-
Total		2 959	2 642
Increase/reduction of the state of receivables towards banks		131 931	(1 087)
Increase/reduction of the state of receivables towards clients		15 637	(29 290)
Increase of the state of other assets		(39)	(9)
Decrease of the state of deferred costs and incomes		3	17
Increase of the state of payables towards clients		2 945	61 807
Increase of the state of payables from bills of exchange		-	1 666
Increase of the state of derivative financial instruments		-	4
Increase of the state of other payables		652	1 326
Decrease of the state of deferred revenues and expenses		(2)	(1)
Paid income tax		(1 553)	(1 211)
Net cash flow from operatin activity		152 533	35 856
Cash flow from investment activities			
Purchase of property and equipment		-	(26)
Net cash flow from investment activities		-	(26)
Cash flow from financial activities			
Funds provided by the Head Office		(115 911)	57 667]
Net cash flow from financial activities		(115 911)	57 667]
Net increase of cash and cash equivalents		36 622	(21 837]
Cash and cash equivalents at the beginning of the year		135 835	23 141
Cash and cash equivalents at the end of the year		172 457	1 304

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

For the 3 months ended on 31st March 2009

6.1 GENERAL INFORMATION

J & T BANKA, a.s. Branch Office of a Foreign Bank ("Branch Office") is a branch established in Slovak Republic. The Branch Office is seated Lamačská cesta 3, Bratislava; Company ID: 35,964,693; VAT Number: SK202,209,2710.

Foundation

J & T BANKA, a.s., Branch Office of a Foreign Bank was founded by decision of J & T BANKA, a.s. of 14.11.2005 and was incorporated in the Companies Register on 23.11.2005 as organizational unit of a foreign entity company.

List of activities executed according to granted permission:

- receiving deposits from the public,
- providing loans
- payments and clearance,
- providing guarantees,
- issuance and administration of means of payments,
- trading on own is account or on client`s account with cash in foreign currencies, particularly to the extent of trading on its own account,
- providing banking information,
- depositing and administration of securities,
- trading with negotiable instruments on a client`s account.

List of permitted activities, which are not being executed:

- financial leasing,
- trading on its own account or on a client`s account:
 1. In money market instruments,
 2. In the field of futures,
 3. In negotiable instruments;
particularly to the extent of trading on its own account,
- Depositing valuables,
- Trading on a client`s account in money market instruments,
Trading on a client`s account in foreign exchange,

Organizational unit manager

Ing. Monika Céreoová

Founder (hereinafter referred to as "Head Office" or "Bank")

J & T BANKA, a.s., Pobřežní 297/14, 186 00 Praha 8, Česká republika

Board of Directors of the Bank

Chairman: Ing. Patrik Tkáč

Members: JUDr. Ing. Jozef Spišiak, Ing. Kamil Bendák, Štěpán Ašer, MBA

Members of Supervisory Board

Chairman Ing. Jozef Tkáč

Deputy chairman: Ing. Ivan Jakobovič

Members: Jozef Šepetka, Ing. Dušan Palcr, Ing. Miloslav Čomaj, Ing. Eva Šagátová, Ing. Miroslav Minařík, IIng. Ingrida Láslobová, Ing. Mgr. Ondřej Popelka

J & T BANKA, a.s. – Head Office, has registered fixed assets of CZK 1,838,127,000.-.

The financial statement as of 31st December 2008 was approved on 20th March 2009 by statutory representative. The Bank is included in the consolidated financial statement of the company J&T FINANCE GROUP, a.s., with its seat at Lamačská cesta 3 in Bratislava. The consolidated financial statement for the entire group is being compiled by the company TECHNO PLUS, a.s. (originally TECHNO PLUS, verejná obchodná spoločnosť), the final parent company, with its seat at Donnerova 15, Bratislava. Consolidated financial statements can be obtained directly in the seat of the company J&T FINANCE GROUP, a.s.

The Board of Directors of the Bratislava Stock Exchange, at its regular meeting held on 20.12.2007, decided on acceptance of the company J & T BANKA, a.s., branch of foreign bank, as a due member of the Bratislava Stock Exchange, via withdrawal from the due membership by the company J&T SECURITIES (SLOVAKIA), o. c. p., a. s. The due membership came into force on 1.2.2008 in compliance with Article 11 paragraph 11.1 of Membership Rules.

On 4.3.2008, services were extended by custody of paper securities and custody of foreign securities.

6.2 BASIS FOR FINANCIAL STATEMENT ELABORATION

(a) Declaration of compliance

Financial statement was elaborated in compliance with International standard for financial reporting IAS 34 in wording adopted by European Union.

The financial statement was elaborated as regular financial statement pursuant to Article 17(a) Act No. 431/2002 Coll. on Accounting as amended.

(b) Basis for pricing

Financial statement was elaborated on the basis of historic prices, except for financial derivatives, which are enlisted in their fair value.

(c) Functional and Presentation Currency

This financial statement was elaborated in Slovak Crowns, which are the functional currency of the Branch Office. Amounts in Slovak Crowns are expressed in thousands, unless stated otherwise.

(d) Usage of Estimates and Opinions

Preparation of financial statement requires from the management to form judgments, estimates and anticipations, influencing application of accounting procedures and amount of the reported assets, liabilities, incomes and expenses. Real results may differ from these estimates.

Estimates and connected anticipations are continuously revaluated. Adjustments of accounting estimates are reported in the period, the estimate is corrected and in all other future influenced periods.

Information on important fields of uncertainty of estimates and important opinions used in accounting procedures, having important influence on amounts reported in the financial statement, are described in Points of Notes.

6.3 IMPORTANT ACCOUNTING PROCEDURES

Accounting procedures enlisted below were applied consistently for both periods enlisted in the financial statement.

(a) Foreign Currency Transactions

Foreign currency transactions are converted to Slovak Crowns by the exchange rate determined in the list of exchange of the National Bank of Slovakia, valid on the day of the given transaction execution. Financial assets and liabilities in foreign currency shall be converted by the exchange rate valid on the day of the financial statement conclusion. Exchange differences are cleared in the profit and loss statement, in the item Net trading profit/loss.

(b) Interest Income and Expense

Interest income and expense are reported in the profit and loss statement using the method of effective interest rate. The effective interest rate is the rate accurately discounting the estimated future financial payments and incomes in the course of life of the financial asset or liability (or shorter period, eventually), to the book value of financial asset or liability. The effective interest rate is determined at primary reporting of financial asset and liability and is not reviewed later.

Calculation of effective interest rate includes all paid or received fees, transaction costs and discounts or premium, which are inseparable part of the effective interest rate. Transaction costs are incremental costs, which may be directly assigned to acquisition, issue or retirement of financial asset or liability.

(c) Fee and Commission incomes and expenses

Fee and commission incomes and expenses, which are an inseparable part of the effective interest rate of financial assets and liabilities, are included in the effective interest rate calculation.

Other fee and commission incomes, including fees for account administration, are reported when the connected services are executed.

Other fee and commission expenses are concerning especially transaction costs and fees for services posted into accounts when the services are accepted.

(d) Net Trading Profit

Net trading profit shall not include incomes decreased by losses connected with trading assets and liabilities and shall include all executed and non-executed changes of the fair value, interest, dividends and exchange differences.

(e) Paid Rent

Paid payments in operative leasing are steadily reported in the profit and loss statement in the course of leasing duration.

(f) Income Tax

Income tax includes payable and deferred tax. The income tax is reported in the Profit and Loss Statement, except for items, which are reported directly in pricing differences within payables towards the Head Office. In this case, they are reported in pricing differences within payables towards the Head Office.

Payable tax is expected tax payable based on taxable incomes for the year recalculated by using the valid tax rate as at the date of compilation of the financial statements, adjusted for sums connected with previous periods.

Deferred tax is calculated by using balance sheet method, when there arises temporary difference between book value of assets and liabilities for the purposes of reporting and values for tax purposes. The deferred tax is calculated by using tax rates at which there is expected that they will be applied to temporary differences in the time of their deduction, on the basis of laws, which were valid or re-enacted on the date as at which financial statements are compiled.

Deferred tax receivable is accounted for only up to the amount of expected tax profits towards which there can be applied not used tax losses and temporary differences. Deferred tax receivables are revaluated as at the date of compilation of the financial statement and reduced in the extent for which it is probable that it will be possible to realize tax profit to which it relates.

(g) Financial Assets and Liabilities**(i) Reporting**

Branch Office is primarily reporting receivables and liabilities towards clients as of the date of their occurrence.

(ii) Reporting Termination

The Branch Office shall finish reporting of financial assets at the time of termination of contractual rights for cash flows from financial assets or shall transfer contractual rights for cash flows from financial assets transferring a substantial part of risks and rewards resulting from the financial assets ownership.

The Branch Office shall finish reporting of financial liability, in case the contractual liability is fulfilled, cancelled or its validity is terminated.

The Branch Office shall also finish reporting of some assets, when writing off balances corresponding with assets considered as unrecoverable.

(iii) Compensation

Financial assets and liabilities are mutually set off and their net values are reported in balance sheet only in case the Branch Office has the entitlement for compensation of these balances and proposes to pay on net basis or to sold assets and repay the liability at the same time.

Incomes and expenses are reported on net basis only in cases allowed by accounting standards or in case of profits and losses originating from the group of similar transactions, for example in the Branch Office business activity.

(iv) Evaluation in Depreciated Value

Depreciated value of financial asset or liability is the amount of evaluation of an asset or liability at the primary reporting, decreased by principal installments, decreased or increased by the accrued depreciated value of difference between the primarily reported value and the value at maturity using effective interest rate and decreased by losses from value decrease.

(v) Evaluation in Fair Value

Real values of financial assets and financial liabilities are determined on the basis of quoted market prices or assessed values from a dealer, for financial instruments traded on active markets. For all other financial instruments, the real value is determined according to appraisal methods. Appraisal methods shall include the method of discounted cash flows, comparing with similar instrument having an existing market price and appraisal models. The Branch Office is utilizing accepted appraisal models for determination of fair value of the common financial instruments, as options and interest and currency swaps. For these financial instruments, entries into models are found out on market.

(vi) Identification and Appraisal of Value Decrease

As of the date of financial statement composition, the Branch Office shall find out, whether there is an objective proof for value decrease of financial assets not reported in fair value by means of profit and loss statement. Financial assets shall report indicators of value decrease in case there is an objective proof on loss event occurring upon the primary reporting of assets and this loss has impact on the future cash flow from asset, which may be reliably appraised.

The Branch Office is taking into consideration the proof of value decrease at the level of individual asset as well as asset groups. For each individually important financial asset, the loss from value decrease is considered at individual level.

Objective proof of financial asset value decrease (including shares), may include important financial problems or breach of contract from the debtor's part, easement granted to the debtor by creditors due to economic or legal reason connected with financial difficulties of the debtor, the creditor would not consider under different circumstances, probability that the debtor or issuer shall declare bankruptcy, decrease of active market for the given security or other data connected with the asset group, as unfavorable changes in payment status of debtors or issuers in the group or unfavorable changes of economic conditions connected with important financial problems in the group.

Losses from value decrease of assets reported in depreciated value are calculated as difference between book value of financial asset and current value of estimated future cash flows discounted by the original effective interest rate of the given asset. Losses from value decrease are reported in the profit and loss statement and shall decrease the value of receivables. Interest from asset with decreased value is further reported by solution of the discount.

In case a future event shall cause a drop of loss due to value decrease, this decrease is repeatedly placed to accounts via profit and loss statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, free funds on accounts in National Bank of Slovakia and current accounts in other banks not subject to important risk in change of their fair value and are utilized by the Branch Office in short-term liabilities management.

Cash and cash equivalents are reported in balance sheet in depreciated value.

(i) Derivative Financial Instruments

Derivative financial instruments including currency forwards and options are primarily reported in balance sheet in their purchase price (including transaction expenses). Subsequently, they are evaluated by fair values. Fair values are determined on the basis of quoted market prices or on the basis of discounted cash flows. Positive fair value of derivatives is reported as assets and negative fair value is reported as liability.

Changes in fair value of derivatives are included in Net trading profit/loss.

(j) Receivables

Receivables are a non-derivative financial asset with fixed or ratable installments, the price of which is not determined by active market and the Branch Office is not intending to sell them immediately or in a short time.

Receivables are primarily reported in real value together with incremental direct transaction expenses and subsequently evaluated in their depreciated value, using the method of effective interest rate.

(k) Property and Equipment**(i) Reporting and Evaluation**

Elements of property and equipment are evaluated in prices of expenses decreased by depreciations and losses from amor-

tization.

Purchase price includes expenses, which are directly assignable to purchase of the given asset. Purchased software, which is an inseparable part of value of the connected equipment is reported as a part of the given equipment.

In case the parts of asset item have different usable life, they are placed into accounts separately as the main parts of property and equipment.

(ii) Subsequent Expenses

Item of property and equipment is reported in reproduction purchase price, in case it is probable that future economic benefits connected with the given property item will accrue to the Branch Office and it will be possible to measure expenses reliably. Expenses connected with common maintenance of property and equipment are reported in profit and loss statement in the time of their occurrence.

(iii) Depreciation

Depreciations are reported in profit and loss statement on a balanced basis in the course of estimated usable life of each property and equipment item.

Estimated usable life for current and comparative accounting period are the following:

Furniture, equipment and facilities	5 - 10 years
Software and other intangible assets	3 - 5 years

Depreciation methods, usable life and residual values are revaluated as of the date of financial statement composition.

(I) Decrease of Non-financial Assets Value

Book value of non-financial assets of the Branch Office, other than deferred tax receivable, shall be revaluated as of the date of financial statement composition aimed at detection, whether there is a suggestion of asset value decrease. In case there is a suggestion of asset value decrease detected, subsequently the amount possible to be acquired from such asset shall be estimated.

Loss from value decrease shall be reported in case the book value of asset or unit generating the cash exceeds its acquirable value. Unit generating cash is the smallest identifiable group of assets generating cash incomes, which are to a large extent dependent from other assets or groups of assets.

Losses from value decrease are reported directly in the profit and loss statement. Losses from value decrease reported in connection with units generating cash are reported primarily as decrease of book value of goodwill falling on these units and are placed into accounts thereafter as decrease of book value of other assets in the unit (group of units) on a relative basis.

Amount, which may be acquired from the given asset or unit and which is generating cash, is either the net selling price or usable unit value, considering the higher one. At the usable asset value, estimate of future cash flows is discounted to their present value by means of discounted rate before taxes, reflecting the current market evaluation of the time value of money and risks specific for the given asset.

Losses from value decrease reported in previous periods are revaluated as of the date of financial statement composition, considering whether there is an indication of loss decrease or proof that a loss is no longer existing. Loss from value decrease is cleared, when change occurs in the estimate used at determination of amount, which is possible to be acquired from the given asset. Value decrease shall be cleared only up to the amount of net book value the asset would have, if the value decrease would not be reported.

(m) Liabilities towards Clients and Liabilities towards Head Office

Liabilities towards clients and liabilities towards Head Office are the main sources of the Branch Office financing.

Liabilities towards clients and liabilities towards Head Office are primarily evaluated in fair value increased by transaction expenses and subsequently evaluated in depreciated value, including accrual of interests using effective interest rate.

(n) Reserves

Reserve shall be created in case there is a legal or objective obligation for the Branch Office to fulfill liability resulting from a past event, and impact of which may be reliably estimated and it is probable that the liability will be fulfilled and will require spending resources bringing economic benefits. Reserves are calculated discounting the expected cash flows by means of discount rate before taxes, reflecting the current market evaluation of the time value of money, and risks specific for the given asset if necessary.

Reserve for unprofitable contracts is reported, when the necessary expenses for fulfillment of liabilities according to a contract exceed the economic benefits acquired on the basis of this contract according to expectations. Reserve is evaluated by the lower one of the two amounts, either for fulfillment of contract and any compensations or sanctions originating from failure to fulfill it. Prior to reserve creation, the Branch Office shall report decrease of value of asset connected with the unprofitable contract.

(o) Employee Benefits

Short-term Employee Benefits

Liabilities from short-term employee benefits are evaluated on a non-discounted basis and are placed into expenses in the time of provision of the connected service.

Reserve is reported in the value expected to be paid as a short-term financial reward or within plans of share in the profits, when the Branch Office has a contractual or non-contractual obligation to pay this amount as a result of service provided in the past by employees and this service may be reliably evaluated.

(p) New Standards and Interpretations, which are not effective yet and were not applied

Several new standards, amendments to standards and interpretations are not effective yet as at 30th June 2008 and were not applied at this financial statement composition:

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items clarifies application of the existing principles, which determine whether specific risks or portions of cash flows are eligible for designation of hedging relationship. The amendments will become compulsory for the financial statement of the Branch Office for the year 2010 with retrospective validity. The Branch Office does not expect that the amendments will have any influence on the financial statement.

6.4 UTILIZATION OF ESTIMATES AND OPINIIONS

These statements shall amend the comment on financial risk management in Point 30 of the Notes.

Key sources of uncertainty in estimates

Assets posted in depreciated value shall be evaluated in connection with eventual value decrease on the basis of accounting procedures 3 (g) (vi).

Adjusting Entries for Receivables Value Decrease

The Branch Office management shall evaluate receivables in connection with value decrease individually, on the basis of the best estimate of current value of cash flows, expected by the Branch Office. Estimating these cash flows, management is making judgments on financial situation of a contracting party and on net selling price of security. Each value decrease of assets shall be evaluated according to individual measures, recovery strategy and the estimate of recoverable cash flows shall be approved by a member of the Board of Directors of the bank in charge for credit risk management.

Fair Value Determination

Determination of fair value of financial assets and liabilities, for which the market value is unknown, shall require utilization of evaluation techniques described in Point 3 (g) (iv) of Notes. For financial instruments rarely traded, the fair value is less objective and shall require several levels of consideration based on liquidity, concentration, uncertainty of market factors, price assumptions and other risks influencing the given instrument.

6.5 CASH AND CASH EQUIVALENTS

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Cash on hand and accounts in the central bank (Point 6.6 of the notes)	1 272	985
Receivables from banks with contractual maturity period up to 3 months (Point 6.7 of the notes)	171 185	134 850
Total	172 457	135 835

6.6 CASH ON HAND AND ACCOUNTS IN THE CENTRAL BANK

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables from the National Bank of Slovakia:		
Obligatory minimum reserves	4 644	136 575
Time deposits in the National Bank of Slovakia	-	375
Other	-	1
Total	4 644	136 951
Cash on hand	1 272	984
Total	5 916	137 935
Less obligatory minimum reserves (Point 6.7 of the notes)	(4 644)	(136 951)
Total	1 272	984

Obligatory minimum reserves are kept in the amount determined by the provision of National Bank of Slovakia and are not intended for everyday use.

6.7 RECEIVABLES FROM BANK

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Mature on demand	171 185	134 475
Obligatory minimum reserves (Point 6.6. of the notes)	4 644	136 575
Time deposit in the National Bank of Slovakia payable within 3 months (Point 7.6 of the notes)	-	375
Total	175 829	271 425
Minus receivables with contractual maturity period up to 3 months (Point 7.5 of the notes)	(171 185)	(134 850)
Total	4 644	136 575

The Branch Office does not have receivables towards banks after maturity period.

6.8. RECEIVABLES FROM CLIENTS

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables from Clients	566 724	582 361
Adjusting entries for reduction of value	[6 418]	[6 134]
Total	560 306	576 227

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Other loans and receivables from clients with residual maturity period:		
- Up to 3 months	205 244	132 087
- From 3 months to 1 year	200 411	348 195
- From 1 year to 5 years	119 561	63 870
- Above 5 years	35 090	32 075
Total	560 306	576 227

THE BRANCH OFFICE HAS RECEIVABLES IN THE FOLLOWING CATEGORIES

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Real Estate	299 725	328 470
Production concern	88 817	82 362
Hotels and tourism	79 981	74 760
Health Service	26 318	26 521
Other services	27 305	20 104
Activity in retransmission and signal broadening	20 257	19 970
Energetics	8 465	8 686
Financial services	-	5 709
Retail	5 606	5 579
Population	3 832	4 065
Warehouse	-	1
Total	560 036	576 227

RECEIVABLES FROM CLIENTS BY COUNTRIES

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Slovak Republic	340 554	359 432
Cyprus	196 031	186 071
Great Britain	21 769	21 461
British Virgin Island	-	7 304
Czech Republic	1 952	1 959
Total	560 306	576 227

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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SECURITY TO RECEIVABLES FROM CLIENTS IS THE FOLLOWING

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Real estates	217 678	227 662
Securities	147 290	124 924
Money deposits	800	2 000
Third person guarantee	-	287
Bill of exchange	61	112
Other	9 271	11 937
Total	375 100	366 922

CREDIT EXPOSURE CONCERNING FINANCIAL ASSETS BEFORE MATURITY PERIOD AND NOT REPORTING DEPRECIATION SINGS

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables from clients	525 256	519 562
Total	525 256	519 562

AGE STRUCTURE OF UN - DEPRECIATED FINANCIAL ASSETS AFTER MATURITY PERIOD AS AT 31TH MARCH 2009

(in `000 EUR)	In maturity period	Up to 1 Month after maturity period	Total
Receivables from clients	525 256	290	525 546
Total	525 256	290	525 546

AGE STRUCTURE OF UN - DEPRECIATED FINANCIAL ASSETS AFTER MATURITY PERIOD AS AT 31TH DECEMBER 2008

(in `000 EUR)	In maturity period	Up to 1 Month after maturity period	Total
Receivables from clients	519 562	-	519 562
Total	519 562	-	519 562

AGE STRUCTURE OF RECEIVABLES TOWARDS CLIENTS WITH REDUCED VALUE AS AT 31.3.2009

(in `000 EUR)	In maturity period	Adjusting entry	Reduced value
Receivables from clients	41 178	(6 418)	34 760
Total	41 178	(6 418)	34 760

AGE STRUCTURE OF RECEIVABLES TOWARDS CLIENTS WITH REDUCED VALUE AS AT 31.12.2008

TEUR	In maturity period	Adjusting entry	Reduced value
Receivables from clients	62 799	(6 134)	56 665
Total	62 799	(6 134)	56 665

ADJUSTING ENTRIES ARE CREATED TO RECEIVABLES TOWARDS CLIENTS FROM THE FOLLOWING COUNTRIES:

(in `000 EUR)	as at 31.3.2008	as at 31.12.2008
Slovak republic	(5 919)	(5 771)
Cyprus	(499)	(363)
Total	(6 418)	(6 134)

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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ADJUSTING ENTRIES ARE CREATED TO RECEIVABLES TOWARDS CLIENTS FROM THE FOLLOWING SECTORS:

(in '000 EUR)	as at 31.3.2008	as at 31.12.2008
Real estates	(4 322)	(2 917)
Production companies	(2 095)	(1 726)
Financial services	-	(945)
Hotels and tourism	-	(546)
Other services	1	-
Total	(6 418)	(6 134)

SECURITY RECEIVED FOR RECEIVABLES TOWARDS CLIENTS AFTER MATURITY PERIOD

(in '000 EUR)	2009		2008	
	Book value	Real value	Book value	Real value
Received security - securities	3	6	-	-
Other powers of pledge	106	106	-	-
Total	109	112	-	-

SECURITY RECEIVED FOR RECEIVABLES TOWARDS CLIENTS WITH REDUCED VALUE

(in '000 EUR)	2009		2008	
	Book value	Real value	Book value	Real value
Power of pledge to real estate	5 335	5 731	15 722	15 722
Received security - securities	17 190	19 364	30 632	29 822
Other powers of pledge	-	699	1 928	6 325
Total	22 525	25 794	48 282	51 869

Real value of security received for receivables towards clients with reduced value is reported up to the amount of loan.

REDUCTION OF VALUE OF RECEIVABLES TOWARDS CLIENTS

Changes in the state on accounts of adjusting entries in order to reduce the value of receivables towards clients were as follows:

(in '000 EUR)	2009	2008
As at 1 st January	(6 134)	-
Creation of adjusting entries for losses from loans	(1 959)	(7 016)
Dissolution of adjusting entries for losses from loans	1 675	882
As at 31 st March 2009/31 st December 2008	(6 418)	(6 134)

As at 31.12.2008, there were created only individual adjusting entries.

As at 31.3.2009, there were created only individual adjusting entries.

6.9 PROPERTY AND EQUIPMENT

(in `000 EUR)	Non-operating Tangible assets	Facilities and equip- ment	Softwarer	Assets purchase	Total
Purchase price					
As at 1.1.2009		189	818	79	1 086
Accruals	12	32	30	-	74
Transfers	-	-	79	(79)	-
As at 31.12.2008	12	221	927	-	1 160
As at 1.1.2009	12	221	927	-	1 160
Accruals					
Transfers					
As at 31.3.2009	12	221	927	-	1 160
Depreciations					
As at 1.1.2008	-	(63)	(279)	-	(342)
Deprecation for current year	(1)	(53)	(199)	-	(253)
As at 31.12.2008	(1)	(116)	(478)	-	(595)
As at 1.1.2009	(1)	(116)	(478)	-	(595)
Deprecation for current year	-	(15)	(53)	-	(68)
As at 31.3.2009	(1)	(131)	(531)	-	(663)
Residual value					
As at 31.3.2009	11	90	396	-	479
As at 31.12.2008	11	105	449	-	565

Property and equipment is insured against theft and disasters. Contract was concluded by the J & T BANKA a.s., Head Office in Prague and includes also the Branch Office.

6.10 OPERATIONAL LEASING

Branch Office has leasing contracts concluded with the following notice periods:

(in `000 EUR)	Notice period	Installment in the course of Notice period
Commercial lease of movable items (furniture)	1 mesiac	3
Tenancy of non-residential premises	3 mesiace	44
Total		47

6.11 OTHER ASSETS

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Provided advances	5	3
Other receivables	53	16
Total	58	19

6.12 LIABILITIES TOWARDS CLIENTS

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Mature on demand	55 035	20 824
Other liabilities towards clients with agreed maturity period or notice period by to the residual maturity period:		
- up to 3 months	135 325	186 891
- from 3 months to 1 year	64 787	44 352
- to 5 year	812	947
Total	255 959	253 014

6.13 OTHER LIABILITIES

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Various creditors	984	240
Employees	229	262
Social fund	6	5
Other taxes	103	163
Total	1 322	670

Movements on social fund account were as follows:

(in `000 EUR)	2009	2008
as at 1 st January	5	3
Creation	2	9
Drawing	(1)	(7)
As at 31st March 2009/31st December 2008	6	5

6.14 LEGAL ENTITIES INCOME TAX

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Mature income tax (point 6.26 of notes)	555	2 488
Advance payments for income tax	(312)	(1 247)
Total	243	1 241

6.15 LIABILITIES TOWARDS HEAD OFFICE

(in `000 EUR)	Funds provided by Head office	Undistributed profit / Outstanding loss	Total
As at 1 st January 2007	162 256	5 243	167 499
Funds provided by Head Office	422 285	-	422 285
Transfers	5 243	(5 243)	-
Profit 2008	-	4 182	4 182
As at 31st December 2008	589 784	4 182	593 966
Funds provided by Head Office	(115 911)	-	(115 911)
Transfers	4 182	(4 182)	-
Profit 2009	-	2 052	2 052
As at 31st March 2009	478 055	2 052	480 107

The Head Office is providing funds to the Branch Office for the purposes of long-term financing of projects according to the current financial needs, namely in the required currency. Current interest rates are the following:

6.16 OFF – BALANCE SHEET ITEMS

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Contingent liabilities		
Guarantees	17 828	6 087
Off-balance sheet contractual liabilities		
Confirmed standby promises	18 650	21 918
Total	36 478	28 005

The Branch Office is not entitled to cancel confirmed standby credits unilaterally; cancellation of a confirmed standby credit must be preceded by an amendment to contract with the particular client.

6.17 INTEREST INCOME

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables from clients	6 279	7 295
Penalty interest incomes	349	255
Head Office	82	18
National Bank of Slovakia	26	21
Other interest income	1	1
Total	8 737	7 590

6.18 INTEREST EXPENSE

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Liabilities towards clients	1 780	2 878
Liabilities towards Head Office	3 161	1 418
Bills of exchange	3	7
Notary custodies	3	14
Total	4 947	4 317

6.19 FEE AND COMMISSION INCOME

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Clients	29	49
Other	212	-
Total	214	49

6.20 FEE AND COMMISSION EXPENSE

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Payment system	6	9
Other	-	1
Total	6	10

6.21 NET TRADING INCOME / EXPENSE

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Incomes from foreign currency operations		
Spot operations	1	15
Exchange differences	352	575
Financial derivatives	-	47
Total	353	637
Expenses for foreign currency operations		
Spot operations	9	208
Exchange differences	272	249
Financial derivatives	-	39
Total	281	496
Net trading profit/loss	72	141

6.22 OTHER INCOME

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Other operating income	70	5
Total	70	5

6.23 GENERAL OPERATING EXPENSE

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Personal costs:		
Wage costs	395	374
Social security costs	121	98
Other personal costs	8	12
Total	524	457
Allocation of costs from the Head Office	266	-
Other operating expense	418	359
Total	1 208	816

Total average number of Branch Office employees as at 31st. March 2009 was 89 (2008: 83) including 9 management

members (2008: 9).

6.24 TAX

(in `000 EUR)	as at 31.3.2009	as at k 31.3.2008
Reported in profit and loss statement:		
Mature income tax (Point 6.14 of notes)	555	502
Total	555	502

Book pre-tax profit multiplied by the tax rate is approved for the tax base as follows:

(in `000 EUR)	2009	as at 31.3.2009	2008	as at 31.3.2008
	%		%	
Pre-tax profit		2 607		2 587
Income tax at the current tax rate	19,0	495	19,0	492
Revenues not subjected to tax	(12,2)	(318)	-	-
Tax-not recognised costs				
Adjusting entries	14,3	372	-	-
Other tax not recognised costs	0,2	6	0,4	10
Income tax	21,3	555	19,2	502

6.25 TRANSACTIONS WITH MAIN RELATED PARTIES

Related parties shall mean subjects controlling the Branch Office or controlled by the Branch Office, or if one party has decisive influence on the other party in decisioning of financial and operating activity. The Branch Office is controlled by J & T BANKA, a.s., Prague (company incorporated in Czech Republic).

The tables below are showing outstanding balances and summary of transactions of the Branch Office with general related parties and persons with special relationship (Point 30 of Notes). All transactions with these persons were executed under standard market conditions.

Companies identified as general related parties are the following:

- (a) Parent and affiliated companies. This category includes J&T FINANCE GROUP, a.s., shareholders of J&T FINANCE GROUP, a.s., and affiliated companies not included in consolidated reports due to majority ownership.
- (b) Management and companies owned by the company.

[a] Parent and Affiliated Companies

Related parties, which belong to the category Parent and Affiliated Companies, are provided summarily.

(in `000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables	-	1
Liabilities	41 130	21 184
Guarantees	-	-
Certified standby credits	365	-

(in `000 EUR)	as at 31.3.2009	as at 31.3.2008
Incomes	2	289
Liabilities	29	348

Companies included summarily:

year 2009	year 2008
Barton & Lloyd Investment, spol. s.r.o.	Barton & Lloyd Investment, spol. s.r.o.
Equity Management Anstalt	J&T Bank Switzerland Ltd (initially: IBI BANK, AG)
J & T Securities, s.r.o.	J&T SECURITIES (SLOVAKIA), o.c.p., a.s.
J&T Private Equity B.V.	J&T ASSET MANAGEMENT
J&T ASSET MANAGEMENT, a.s.	J&T FACILITY MANAGEMENT, s.r.o.
J&T Bank Switzerland	J&T FINANCE a.s., organization unit
J&T FINANCE a.s. – organization unit	J&T FINANCE GROUP a.s.
J&T FINANCE GROUP a.s.	J&T FINANCE, a.s.
J&T International Anstalt	J&T FINANCIAL INVESTMENTS LIMITED
J&T Investment Pool - I - SKK, a.s.	J&T FINANCIAL SERVICES LIMITED
J&T MEDIA ENTERPRISES, a.s.	J&T Hotels Management, s.r.o.
Jakabovič, Ivan Ing.	J&T International Anstalt
KOLIBA REAL s.r.o	J&T Investment Pool - I - SKK, a.s.
Rezidencia BĀRDOŠOVA, s.r.o.	J&T Private Equity B.V.
ROZHINO INVESTMENTS LIMITED	J&T REAL ESTATE, a.s.
TECHNO PLUS, a.s.	J&T SECURITIES (SLOVAKIA), o. c. p., a. s.
Tkáč, Jozef Ing.	J&T Sport Team
United Energy Trading, a.s., organization unit	Jakabovič, Ivan Ing.
	JT Concierge, s.r.o.
	KOLIBA REAL s.r.o.
	Logistics development s.r.o.
	Slovenský odpadový priemysel, a.s.
	SUPPORT & REAL, a.s.
	TECHNOPLUS,a.s. (initially: TECHNO PLUS, (public limited company)
	Tkáč, Jozef Ing.
	United Energy Trading, a.s., organization unit
	Západoslovenské žriedla, a.s.
	ZST a.s.

(b) Management and Companies owned by it

Transactions with related parties interconnected via management, Branch Office and Group employees are listed summarily.

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables	55 405	346 308
Liabilities	1 440	6 476
Guarantees		4 088
Certified standby credits	119	1 768

(in '000 EUR)	as at 31.3.2009	as at 31.3.2008
Incomes	1 447	2 388
Liabilities	5	50

In the course of 2009 and 2008 the Branch Office did not record any losses from loans provided to related persons neither create adjusting entries to losses from such loans.

6.26 TRANSACTIONS WITH RELATED PARTIES - PERSONS WITH SPECIAL RELATIONSHIP

Persons with special relationship include clients, the J&T FINANCE GROUP, a.s., has concluded contract with, concerning share in the profits from client's projects financed by the Branch Office. Nature of relations with these companies is described in the table enlisting summary of balances and their transactions.

Branch Office concluded transactions with persons concluding contracts on share in the profits with J&T FINANCE GROUP, a.s. According to these contracts, J&T FINANCE GROUP, a.s. is providing the companies with structured and project management. For these activities, a marked part of share in the profits executed by the client in project, flows to the company.

Even if J&T FINANCE GROUP, a.s. is not owning the given companies, these are included in the consolidated financial statements of J&T FINANCE GROUP, a.s., as the J&T FINANCE GROUP, a.s. is entitled to acquire a market part of profit flowing from activities of the given companies.

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Receivables	13 586	10 471
Liabilities	1	-
Guarantees	-	-
Certified standby credits	-	-

(in '000 EUR)	as at 31.3.2009	as at 31.3.2008
Incomes	200	2 395
Liabilities	-	20

During the year 2009, the Branch Office did not record any losses from loans granted to related persons and did not create adjusting entries to losses from such loans.

6.27 TRANSACTIONS WITH RELATED PARTIES - MANAGEMENT

Management

Receivables and liabilities as at 31st March towards members of the management, their close relatives or companies having important influence in, are the following:

(in '000 EUR)	as at 31.3.2009	as at 31.12.2008
Assets		
Receivables from clients	214	215
Liabilities		
Liabilities towards clients	207	257
Transaction during the year	as at 31.3.2009	as at 31.3.2008
Incomes		
Interest income	5	5
Expenses		
Interest expense	1	1

Rewards

Rewards paid to the management were as follows:

(in '000 EUR)	as at 31.3.2009	as at 31.3.2008
Rewards and bonuses	74	62

6.28 RISK MANAGEMENT

As a Branch Office of J & T BANKA, a.s., a part of risks of the Branch Office is managed and controlled by the Head Office. Procedures described below include procedures and methods of J & T BANKA, a.s., connected with the Branch Office risk management.

Utilizing financial instruments, the Branch Office is exposed to the following risks:

- credit risk
- liquidity risk,
- market risk,
- operating risk.

Information on exposure to the particular risks, goals, approach and processes for risk measurement and management are enlisted below.

(a) Credit Risk

The Branch Office is exposed to credit risk, i.e. risk that the other contracting party will not be able to pay the debt amount in the time of its maturity. The Branch Office is managing credit risk by means of:

- a) Application of established clear rules of individual credit risk management,
- b) Credit portfolio risk management.

Furthermore, the Branch Office is determining procedure for evaluation of credit risk of counterparty or issued debt within the bank internal rating. The Branch Office may not utilize only credit assessment elaborated by renowned rating companies. These companies are namely evaluating only the more important companies, which applies more markedly for the territories of Czech and Slovak Republic, where the bank is operating. Therefore, the Branch is utilizing the internal rating system. This is proceeding from the credit scale of the S&P Company or Moody's, possibly Fitch and it is based on scoring.

The counterparties or issued debts, which are not carrying credit class from any of the renowned rating agencies (including Dun & Bradstreet and rating of Moody's Central Europe a.s.), are subject to business risk scoring of the client or credit risk of the bank. On the basis of its result, the counterparty or the issued debt is determined its credit evaluation in the bank internal rating in the extent of speculative classes of the S&P scale.

Bank rules for exposure to credit risk include:

- a) Determination of limits for the risk level accepted in connection with one debtor or group of debtors, based especially on legislation requirements;
- b) Strict crediting rules;
- c) Rules for credit providing and monitoring;
- d) Rules for recovery of loans after maturity.

Total exposure towards single client or group of clients includes all products with credit risk and the particular limits may be altered as a result of deterioration of financial or other position. Utilization of limits shall be watched monthly. For detailed information concerning credit risk, see Point 8 of Notes.

Loan Security Evaluation

In general, the Branch Office shall require securing of credit receivables of some debtors prior to loan providing. The bank shall consider the following types of security as acceptable:

- cash,
- securities,
- credible receivables,
- banker`s, guarantees,
- guarantee of a credible third party,
- real estates,
- machines and equipment.

At determination of the realizable security value, the Branch Office is proceeding from expert opinions or internal bank evaluations, eventually.

Liabilities from Standby Credits and Contingent Liabilities

Primary goal of the Branch Office at standby credits granting is to provide that a customer has the accessible finances in case of need. Contingent liabilities represent irrevocable guarantees that the Branch Office will execute payment, in case a customer is not able to fulfill its liabilities towards third party and represent the same credit risk as loans.

(b) Liquidity Risk

The Branch Office is exposed to everyday requirements for its accessible cash resources, particularly in terms of accepted one-day deposits, current accounts, mature time deposits in terms of drawing of loans and bank overdrafts, from provision of guarantees and from margin and other requirements, as for example for clearance of cash derivative transactions. As experiences show, it is possible to predict with high amount accuracy a certain minimum rate of repeated investments of funds, which will become mature, the branch is not keeping its cash resources necessary for repayment of all the enlisted requirements. The bank has a reliable historic database of withdrawals at its disposal, enabling it to execute a relatively accurate analysis of stability of the listed types of withdrawals.

The framework of bank liquidity risk management is determined by provisions of the Czech National Bank as well as by internal procedures elaborated by the bank concerning liquidity management.

In regular time intervals, a report on liquidity development is elaborated, including also appraisal of the determined liquidity indicators observance. Bank has an emergency plan prepared, for solving liquidity crisis and is regularly evaluating also an alternative scenario of liquidity development.

The table below is classifying assets and liabilities into individual zones of maturity according to the residual time from the date of financial statement composition until contractual maturity. Assets and liabilities without agreed maturity are reported as "unspecified." Expected flows of the Branch Office can significantly differ from this analysis. For instance, it is expected that cliential accounts of payables will remain stable with growing balance.

Important part of receivables from clients with agreed maturity period up to one year is connected with financing projects, termination of which exceeds one year. In case the Branch Office shall not decide to prolong the client's financing, maturity of such receivables in the agreed period shall depend from the client's ability to refinance the loan from other sources. These contracts are exposing the Branch Office liquidity to the refinancing risk from the clients' part.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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Contractual maturity period of assets and liabilities as at 31st March 2009 was of following structure:

(in ' 000 EUR)	Less than 1 year	1 – 5 years	Above 5 years	Unspecified	Total
Assets					
Cash and cash equivalents	172 457	-	-	-	172 457
Receivables from banks	-	-	-	4 644	4 644
Receivables from clients	405 655	119 561	35 090	-	530 306
Property and equipment	-	-	-	497	497
Other assets	-	-	-	58	58
Prepayments and Accrued incomes	-	-	-	1	1
Total	578 112	119 561	35 090	5 200	737 963
Liabilities					
Liabilities towards clients	255 147	812	-	-	255 959
Bills of exchange	332	-	-	-	332
Derivative financial instruments	-	-	-	-	-
Other liabilities	1 287	-	-	35	1 322
Legal entities income tax	243	-	-	-	243
Liabilities towards Head Office	-	-	-	480 107	480 107
Total	257 009	812	-	480 142	737 963
Net position	321 103	118 749	35 090	(474 942)	-
Cumulative position	321 103	439 852	474 942	-	-

Contractual maturity period of assets and liabilities as at 31st December 2008 was of following structure:

(in ' 000 EUR)	Less than 1 year	1 – 5 years	Above 5 years	Unspecified	Total
Assets					
Cash and cash equivalents	135 835	-	-	-	135 835
Receivables from banks	-	-	-	136 575	136 575
Receivables from clients	480 282	63 870	32 075	-	576 227
Property and equipment	-	-	-	565	565
Other assets	-	-	-	19	19
Prepayments and Accrued incomes	-	-	-	4	4
Total	616 117	63 870	32 075	137 163	849 225
Liabilities					
Liabilities towards clients	252 068	946	-	-	253 014
Bills of exchange	332	-	-	-	332
Other liabilities	667	-	-	3	670
Legal entities income tax	1 241	-	-	-	1 241
Deferred revenues and expenses	-	-	-	2	2
Liabilities towards Head Office	-	-	-	593 966	593 966
Total	254 308	946	-	593 971	849 225
Net position	361 809	62 924	32 075	(456 808)	-
Cumulative position	361 809	424 733	456 808	-	-

(c) Market Risk

Under market risk, the Branch Office shall understand the risk of loss resulting from changes in prices, rates and charges on financial markets. It is a summary term for interest, currency, stock and other risks connected with movement of market prices. Trhové riziko je riadené a kontrolované centrálou.

Methods of Risks Quantification

System of the bank risk management proceeds in the field of quantification and management of extent of the undergone risk mostly from the Value-At-Risk (VAR) method. The VAR value quantifies impacts of potential loss evoked by market risk of unexpected extent at an open bank position. Here at, it shall be proceeded from characteristics of relevant environment, therefore of interest rates in the particular currencies, exchange rates, prices of stocks as well as relation between them.

For evaluation of impacts of extremely unfavorable market conditions, the bank is executing stress testing. This is including prospective changes of values of open positions of the bank, which could occur as a result of less probable, however possible events.

Within the framework thereof, positions of the business book with foreign currency and commodity position of the bank are subject to historical scenarios, thus to scenarios of influence of impact of the greatest one-day change of risk factors for the historical period of the determined lengths on the current portfolio, whereas the corresponding potential change of value of the portfolio is being evaluated.

Interest positions of the bank book are subject to scenarios of standardised interest shock, thus immediate fall and growth of interest rates in the extent of 200 bp.

(d) Foreign Exchange Risk

Assets and liabilities in foreign currencies, including off-balance sheet exposures, present open position of Branch Office towards currency risks. Executed as well as non-executed exchange profits and losses are posted directly in the profit and loss statement.

Foreign exchange risk results from changes of the value of financial assets and liabilities as a result of exchange rates changes.

Policy of the bank is to maintain the lowest possible open net foreign exchange position. Limits are determined individually per each currency. Branch Office is also utilizing forwards with foreign currency and currency swaps for providing of foreign exchange positions.

The main instrument of foreign exchange risk management is the Value-At-Risk methodology. At application of Value-At-Risk, the bank is utilizing a 99% reliability interval and horizon of 10 business days.

(e) Interest Risk

The Branch Office is issued to risk that variations of decisive market interest rates will have unfavorable impact on its financial position and cash flows. As a result of interest rates changes, the interest margin may increase but also decrease or create loss in case of unexpected movements.

Interest risk of bank book is quantified on the basis of stress test results, in terms of which the bank book position is subject

to scenario of standardized interest shock, therefore of immediate decrease/growth of interest rates of the bank book in the extent of 200 basic points.

In terms of credit risk quantification of the bank book, the bank is evaluating also by the VAR value for the reliability interval of 99% and horizon of 10 business days.

(f) Operating Risk

Under operating risk, the Branch Office shall understand the risk of loss influenced by deficiencies or failure of internal processes, human factor or system, as well as the risk of loss of the Branch Office due to internal events, including the risk of loss of the Branch Office as a result of breach or underflow of legal rule.

The bank provides for minimization of operational risk via control systems, which are applied within managing competencies by each manager of the bank. Within the control system, the managers of the bank shall provide for maximum control of all activities, while the decisive control systems shall be included into the plan of controls of the given bank organizational unit.

Basic element of active operational risks management of the bank is the database of reported losses from bank operational risk events, the output data of which are providing several levels of aggregate overview of the undergone bank operational risk extent, and also enable to specify directions of approach in the process of further limits to this risk.

(g) Current economic conditions

The Branch Office has analysed the recent development on international financial and capital markets and its possible impact on:

- business activities of the company, and that also in connection with the ability of the Branch Office to further continue in its activity (the so-called: going concern),
- single items reported in the presented financial statement, in particular in terms of adequacy of their valuation, considering uncertainty connected with estimates made and therefrom resulting possible significant error in this financial statement,
- significant risks (credit risk, liquidity risk and the like) and uncertainty connected with analysis of impact of change in assumptions influencing the impact of the above-mentioned risks.

On the basis of the above-mentioned analysis, the management of the Branch Office does not expect significant influence of unfavourable development of international financial and stock markets on the activities of the Branch Office.

Despite that expectation, the Branch Office introduced several preventive measures, which will support the current stable position of the Branch Office. There are considered, in particular:

- detailed monitoring of expected maturity dates on both active and passive side of the balance sheet and their considering in liquidity scenarios,
- temporary adjustment of credit limits towards some counterparties,
- introduction of new stress tests in case of market risk.

6.29 FAIR VALUES

Fair value is the sum of money, the Branch Office may exchange a particular kind of asset for, or for which the Branch Office shall pay liability towards the other party for a common price.

Receivables from Banks

Fair values of current accounts balances are approximately equalized to their book value. In case of accounts with residual maturity period shorter than three months, it shall be appropriate to consider their book value as the approximate fair value. Fair values of receivables towards banks are calculated by discounting future cash flows while using valid interbank rates.

Receivables from clients

Receivables from clients are listed as net, therefore upon deduction of losses from value decrease. In case of accounts with residual maturity period shorter than three months, it shall be appropriate to consider their book value as the approximate fair value. Fair values of other receivables towards clients are calculated by discounting future cash flows while using common market rates.

Liabilities towards clients

Fair values of current accounts and time deposits with residual maturity period less than three months are approximately equalized to their book value.. Fair values of other payables towards clients are calculated by discounting future cash flows while using current rates on deposits.

Bills of exchange

Fair values of bills of exchange are calculated by discounting future cash flows while applying common market rates.

Derivative Financial Instruments

Fair value of derivative financial instruments is determined using quoted market prices or theoretical prices determined via discounting future cash flows by the reference inter-bank interest rate for the particular period until maturity.

6.30 COMPARABLE DATA

On 1st January 2009, the Slovak Republic joined the Eurozone and Slovak Koruna was replaced by a new valid currency – Euro. Therefore, with effect from the above-mentioned date, the Branch Office will compile financial statement and will keep its accounting records in Euros. Comparable data in the financial statement for the year 2009 will be recalculated by applying the conversion exchange rate SKK/EUR 30.1260.

SUMMARY AMOUNT OF CREDIT EXPOSURES

7

SUMMARY AMOUNT OF CREDIT EXPOSURES WITHOUT IDENTIFIABLE LOSS OF VALUE

(in `000 EUR)	03/09	12/08
Exposures towards states and central banks	0	0
Exposures towards institutions	0	0
Exposures towards trading companies, specialised exposures and bought corporate receivables	521 464	515 784
Retail exposures	3 808	3 776

SUMMARY AMOUNT OF CREDIT EXPOSURES WITH REDUCED VALUE

(in `000 EUR)	03/09	12/08
Exposures towards states and central banks	0	0
Exposures towards institutions	0	0
Exposures towards trading companies, specialised exposures and bought corporate receivables	41 178	62 799
Retail exposures	0	0

SUMMARY AMOUNT OF BAD RECEIVABLES

(in `000 EUR)	03/09	12/08
Exposures towards states and central banks	0	0
Exposures towards institutions	0	0
Exposures towards trading companies, specialised exposures and bought corporate receivables	0	0
Retail exposures	0	0

DIFFERENCE OF MONTHLY ASSETS AND MONTHLY LIABILITIES ACCORDING TO THE ESTIMATED MATURITY

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Indicator	I. No.	Maturity up to 7 days inclusive	Maturity from 7 days up to 1 month inclusive	Maturity from 1 month up to 3 months inclusive	Maturity from 3 months up to 6 months inclusive	Maturity from 6 months up to 9 months inclusive	Maturity from 9 months up to 12 months inclusive	Maturity from 12 months up to 24 months inclusive	Maturity from 24 months up to 60 months inclusive	Maturity over 60 months	Not specified items	Total (column 1 to 10)
a	b	1	2	3	4	5	6	7	8	9	10	11
Part I. - BALANCE SHEET ACCOUNTS OF ASSETS AND LIABILITIES												
SUM OF BALANCE SHEET ACCOUNTS OF ASSETS	1	174 118	35 934	167 649	124 704	59 589	16 118	25 039	94 039	35 090	5 200	737 983
cash values	2	1 272										1 272
accounts of central banks and cheque postal accounts	3										4 644	4 644
accounts of other banks	4	171 185										171 185
accounts of clients	5	1 661	35 934	167 649	124 704	59 589	16 118	25 039	94 522	35 090		560 306
deferred incomes	6											0
state treasury bills	7											0
government bonds	8											0
treasury bills and bonds of central banks	9											0
other debt securities	10											0
other securities for sale and securities in fair value against profit and loss	11											0
securities with created power of pledge	12											0
other financial investments	13											0
tangible and intangible fixed assets	14										497	497
other assets	15										59	59
SUM OF BALANCE SHEET ACCOUNTS OF LIABILITIES	16	105 377	52 061	34 452	25 661	1 522	37 847	812	0	0	480 231	737 983
accounts of central banks and cheque postal accounts	17											0
accounts of other banks	18											0
accounts of clients	19	104 116	51 801	34 452	25 661	1 552	37 604	812	0	0	0	255 968
payables towards ARDAL	20											0
liabilities towards physical entities	21	14 232	3 090	1 633	5 052	920	224					25 151
liabilities towards legal entities and towards subjects public administration also ARDALu	22	89 884	48 711	32 819	20 609	602	37 380	812				230 817
issued short-term securities	23	332										332
deferred expenses	24											0
subsidies and similar resources	25											0
issue of bonds	26											0
emitované hypotekárne zložné listy	27											0
provisions and equity	28										480 179	480 179
other liabilities	29	929	260				243				52	1 484
NET BALANCE SHEET LIQUIDITY POSITION (r.1-r.16)	30	68 741	-16 127	133 197	99 043	58 067	-21 729	24 227	94 522	35 090	-457 031	0
CUMULATIVE NET BALANCE SHEET LIQUIDITY POSITION	31	68 741	52 614	185 811	284 854	342 921	321 192	345 419	439 941	475 031	0	0
NET BALANCE SHEET LIQUIDITY POSITION FOR SKK	32	25										25
NET BALANCE SHEET LIQUIDITY POSITION FOR CZK	33	-18 779	-259	17 808	383		201	1 952			-1 378	-72
NET BALANCE SHEET LIQUIDITY POSITION FOR USD	34	-880	-39				-79	4 390			-3 672	-380
NET BALANCE SHEET LIQUIDITY POSITION FOR EUR	35	88 488	-15 829	115 389	98 860	58 067	-21 851	17 885	94 522	35 090	-469 490	931

DIFFERENCE OF MONTHLY ASSETS AND MONTHLY LIABILITIES ACCORDING TO THE ESTIMATED MATURITY

8

Indicator	I. No.	Maturity up to 7 days inclusive	Maturity from 7 days up to 1 month inclusive	Maturity from 1 month up to 3 months inclusive	Maturity from 3 months up to 6 months inclusive	Maturity from 6 months up to 9 months inclusive	Maturity from 9 months up to 12 months inclusive	Maturity from 12 months up to 24 months inclusive	Maturity from 24 months up to 60 months inclusive	Maturity over 60 months	Not specified items	Total (column 1 to 10)
a	b	1	2	3	4	5	6	7	8	9	10	11
PART II - SELECTED OFF-BALANCE SHEET ACCOUNTS OF ASSETS AND OFF-BALANCE SHEET ACCOUNTS OF LIABILITIES												
SUM OF OFF-BALANCE SHEET ACCOUNTS OF ASSETS	36	0	0	0	0	0	0	0	0	0	375 100	375 100
promises for accepting loan	37											0
of that: irrevocable	38											0
other obligations from guarantees towards banks	39											0
of that: collaterals received in REPO transactions	40											0
other obligations from guarantees towards clients	41										375 100	375 100
of that: collaterals received in REPO transactions	42											0
received guarantees from letters of credit	43											0
receivables from spot operations	44											0
receivables from futures operations	45											0
receivables from operations with options	46											0
SUM OF SELECTED OFF-BALANCE SHEET ACCOUNTS OF LIABILITIES	47	2 306	0	710	687	806	26	17 078	3 310	11 555	0	36 478
promises for granting loan to banks	48											0
of that: irrevocable	49											0
promises for granting loan to clients	50	2 306		210	687	556	26		3 310	11 555		18 650
of that: irrevocable	51	2 306		210	687	556	26		3 310	11 555		18 650
other receivables from guarantees towards banks	52											0
other receivables from guarantees towards clients	53			500		250		17 078				17 828
granted guarantees from letters of credit	54											0
payables from spot operations	55											0
payables from futures operations	56											0
payables from operations with options	57											0
ČISTÁ PODSÚVAHOVÁ POZÍCIA LIKVIDITY (r.36-r.47)	58	-2 306	0	-71	-687	-806	-26	-17 078	-3 310	-11 555	375 100	338 622
CUMULATIVE NET BALANCE SHEET LIQUIDITY POSITION	59	-2 306	-2 306	-3 016	-3 703	-4 509	-4 535	-21 613	-24 923	-36 478	338 622	0
NET BALANCE SHEET LIQUIDITY POSITION FOR SKK	60											0
NET BALANCE SHEET LIQUIDITY POSITION FOR CZK	61										15 828	15 828
NET BALANCE SHEET LIQUIDITY POSITION FOR USD	62											0
NET BALANCE SHEET LIQUIDITY POSITION FOR EUR	63	-2 306		-710	-687	-806	-26	-17 078	-3 310	-11 555	359 272	322 794

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