ANNUAL REPORT 2009

J&T FINANCE GROUP

ANNUAL REPORT 2009

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4.47 billion EUR
Consolidated assets

663.1 million EUR
Consolidated equity

115.6 million EUR
Net profit

17.19%
Return on equity (ROE)

In 2009, J&T Group proved its ability to effectively search for and acquire investment opportunities, as well as to increase the value of its invested capital. In 2009 the return on equity (ROE) remained above 17%. The amount of cash and cash equivalents exceeded EUR 0.5 billion, which resulted in the enhancement of the Group's liquidity.

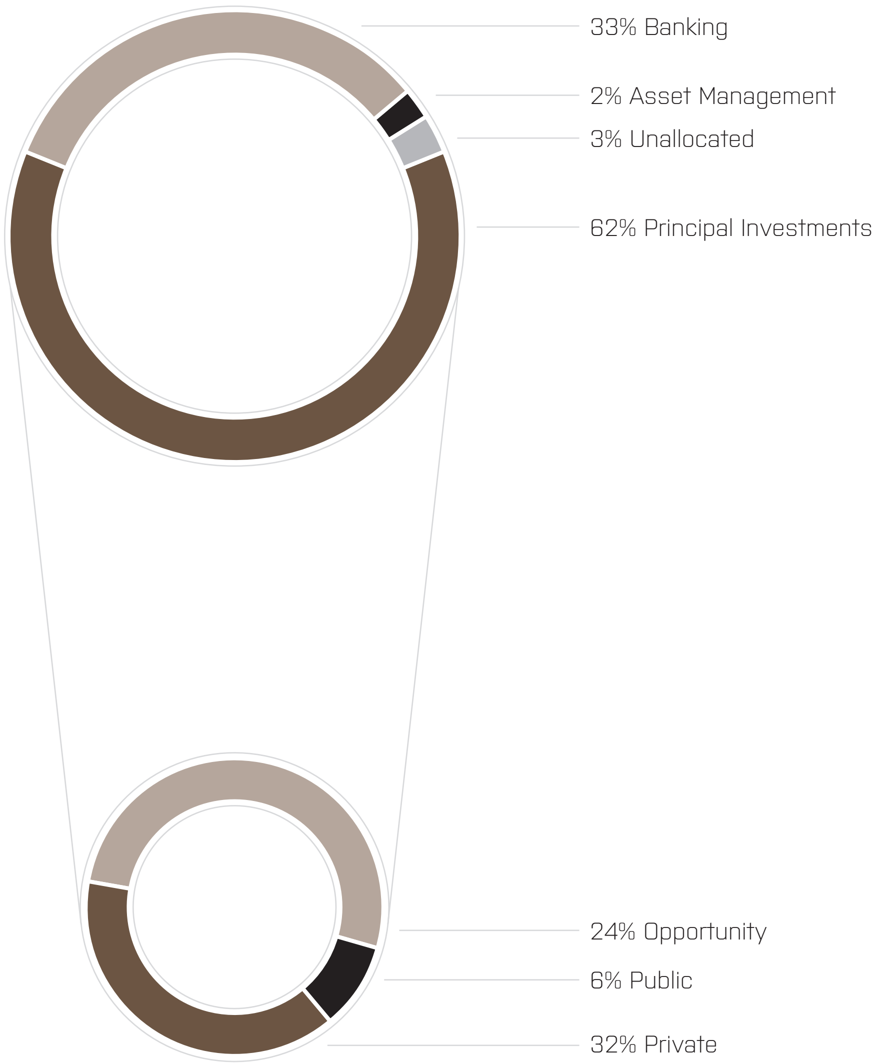
With consolidated equity of EUR 663 million, J&T Group ranks among the leading financial investors in the Central and Eastern European (CEE) region.

FINANCIAL HIGHLIGHTS

In thousands of EUR	2009	2008	2007	2006	2005
ASSETS					
Total assets	4,474,756	3,457,409	3,336,046	2,570,720	2,025,909
Property, plant and equipment	20,198	22,890	592,277	418,157	424,234
Investment property	—	—	187,191	178,107	83,544
Loans and advances to customers	1,847,760	1,522,980	751,723	505,853	370,198
Cash and cash equivalents	517,456	349,790	353,394	263,732	196,381
EQUITY AND LIABILITIES					
Equity	663,133	537,702	488,650	419,793	323,344
Deposits and loans from banks	184,715	260,114	635,118	552,557	534,839
Deposits and loans from customers	2,281,768	1,903,119	1,335,989	895,070	701,339
INCOME STATEMENT					
Net interest income (expense)	25,356	(43,920)	(22,337)	(25,698)	(11,491)
Net fee and commission expense	(15,898)	(8,741)	(32,173)	(108,119)	(29,446)
Operating income	867,327	1,343,533	1,148,767	1,060,335	469,567
Operating expenses	(855,131)	(1,256,217)	(1,069,225)	(837,053)	(383,073)
Profit for the period	115,575	106,027	50,129	74,414	114,013
KPIs					
ROA	2.63%	2.87%	1.43%	3.32%	5.71%
ROE	17.19%	17.93%	8.62%	18.25%	31.74%
Average number of employees of the Group	2,007	9,821	8,869	6,357	4,873

More detailed information is presented in the consolidated financial statements on pages 14 – 106.

ALLOCATION OF ASSETS BY SEGMENTS



BOARD OF DIRECTORS' REPORT

GROUP STRATEGY AND VISION

J&T Group is a strong financial investor with a fifteen-year tradition of operating in the markets of Central Europe, the Russian Federation, Switzerland and the Caribbean. The Group assets as at 31.12.2009 amounted to EUR 4.5 billion and an additional EUR 1.2 billion was managed through asset management services provided to the Group's clients. J&T Group specialises in banking, investment banking, asset management and so-called "principal investments" (see below).

J&T Group actively takes positions in a wide range of investment opportunities including conservative investments in banks, investments in securities and structured investments, such as private equity funds. J&T Group is supervised by the Czech National Bank and applies strict investment and financing rules.

In terms of total consolidated assets, the Principal Investments segment (representing the non-banking investments in various economic sectors especially in the CEE) is the most significant segment of the Group's activities. These investments differ in the length of the expected investment period, risk and in the economic sector they are realized in. J&T Group, as a financial investor, strictly monitors its investments, and projects their further development and appreciation based on clearly defined economic parameters. At the same time the Group searches for additional acquisition opportunities throughout all economic sectors and, due to its capital strength, is prepared to seize upon these opportunities.

The Banking segment is second in terms of total consolidated assets. It includes primarily J&T banks in the Czech and Slovak republics, Switzerland, the Russian Federation and Barbados.

Consolidated assets of the Asset Management segment represent only 2% of the total consolidated assets of the Group. However, the amount of client's assets under management as at 31.12.2009 exceeded EUR 1.2 billion.

J&T Group plans to achieve additional increases in the amount of assets under management. In June 2010 J&T Group acquired 100% of ATLANTIK Asset Management investiční společnost, a.s. and ATLANTIK finanční trhy, a.s.

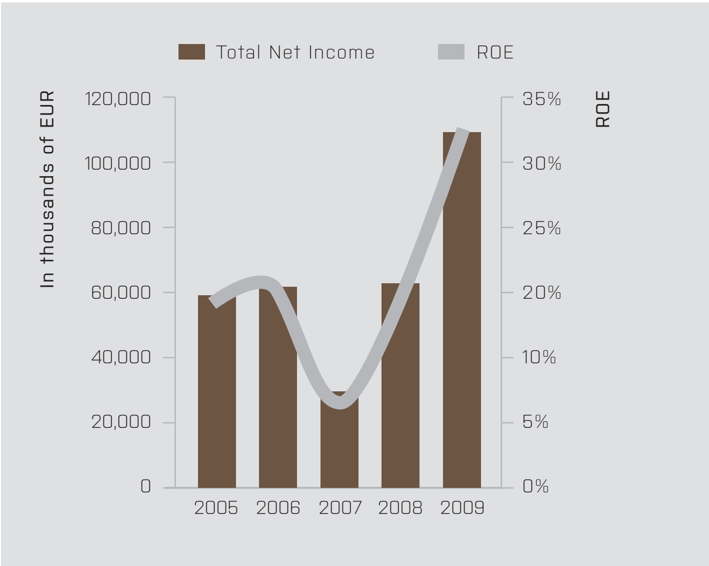
J&T BUSINESS MODEL

J&T FINANCE GROUP, a. s. is the parent company of the J&T Group, whose operations are divided into three main segments (Banking, Asset Management and Principal Investments). Depending on the length of the investment period and the management structure, the Principal Investments segment is divided into Private, Public and Opportunity sub-segments.

J&T BUSINESS MODEL PHILOSOPHY

High profitability and stability

J&T Group aspires to achieve high profitability while maintaining capital performance indicators above average. The markets we operate in offer many unique investment opportunities. Strengthening our market position will increasingly allow us to take advantage of these opportunities.



Service quality

We believe that the quality and scope of services we provide are a strong competitive advantage for us. We strategically focus on clients and transactions requiring a substantial individual approach. We use our complex knowledge in the banking, investment banking, asset management and principal investments areas to achieve a maximum economic effect.

Corporate Governance

J&T Group management believes that the effectiveness of management will further increase after successful implementation of a corporate governance system, which is currently in progress.

BANKING

The Banking segment is strategically focused on clients and transactions requiring a substantial individual approach. The segment involves all consolidated companies with a banking license. Our clients are not only private individuals but also institutions. The Banking segment is currently represented by J&T BANKA, a.s. in the Czech Republic, J&T BANKA, a.s., pobočka zahraničnej banky in the Slovak Republic, J&T Bank (Switzerland) Ltd. and J&T Bank ZAO in Russia. The total assets of the Banking segment as at 31.12.2009 exceeded EUR 1.6 billion.

KPI (in millions of EUR)	31.12.2009	31.12.2008
Net interest income	63.3	46.3
Net profit	13.2	8.3
Total assets	1,654.2	1,586.3
Equity[1]	197.3	190.7

Credit exposure is diversified in regions the Group has most experience with, i.e. the Czech and Slovak Republics. The Banking segment uses sophisticated risk control mechanisms strictly monitored by the Czech National Bank.

J&T provides its clients with investment banking services in research and trading areas, in equity capital markets and debt capital markets. Since its inception, the J&T Group has developed know-how in analysing selected investment opportunities in the CEE region, structuring loan financing (included mezzanine financing), bills of exchange programs, Eurobonds transactions and others. Due to acquisitions and restructurings made, we also have a unique experience with corporate finance.

Our strategy in the Banking segment is to strengthen our competitive advantage in the area of private banking and provide the best complex finance services based on complex financing solutions. Another one of our competitive advantages is a minimal dependence on interbank and other financial markets.

ASSET MANAGEMENT

J&T Group, with its fifteen-year experience in asset management, provides complex services and consultancy in this area. Our clients are private individuals, finance institutions and privately-held and state companies. We offer our clients primarily asset management in own funds, discretionary portfolio management services, as well as passive asset management. The amount of consolidated assets under management as at 31.12.2009 was EUR 1.2 billion.

KPI (in millions of EUR)	31.12.2009	31.12.2008
Assets under management	1,203.7	1,101.8
Fee and commission income	2.5	2.3

Asset management is performed by centres in the Czech Republic, Slovakia, Switzerland and Barbados.

PRINCIPAL INVESTMENTS

Other than conservative banking and asset management activities, J&T Group develops additional activities included in the Principal Investments segment. These investments differ in the length of investment period, risk and in the economic sector they are realized in. Depending on the strategy, the segment is divided into three sub-segments: Private, Public and Opportunity. Public investments comprise primarily of investments in securities and other publicly traded financial instruments. Private investments represent investments of the Group providing the structured financing services common in the private equity world. Opportunity investments include investments with a medium-term investment period. Another important part of the Group activities is acquisition, appreciation and subsequent sale of companies and larger investment entities.

As at 31.12.2009, J&T Group had consolidated non-banking investments in the amount of nearly EUR 2.9 billion.

KPI (in millions of EUR)	31.12.2009	31.12.2008
Total assets	2,896.1	2,014.6
Net profit	119.0	74.0

J&T Group significantly helped with the establishment of Energy and Industry Holding, J&T Real Estate, Best Hotel Properties and Tatry Mountain Resorts (Best Hotel

Properties and Tatry Mountain Resorts are currently listed on the Bratislava Stock Exchange). The Group did not only sell assets to these holdings, but also priceless experience gained during their development process.

PUBLIC

At the year-end, the companies in the Public sub-segment managed primarily a portfolio of publicly traded investments including Central European Media Enterprises Ltd, Unipetrol, a.s. and Erste Bank der oesterrechischen Sparkassen AG. The total assets as at 31.12.2009 amounted to EUR 283 million.

KPI (in millions of EUR)	31.12.2009	31.12.2008
Total assets	282.8	324.6
Dealing profits	60.7	(78.5)
Net profit	33.2	(105.1)

PRIVATE

In the Private sub-segment, the Group primarily consolidates its long-term strategic private equity investments in the energy and industry, real estate, tourism and service sectors. Based on the long-term strategy of the Group, the Group gradually integrated and consolidated individual investments into large investment entities, which are now among the local market leaders. In the last two years, assets with similar focus were grouped into separate business entities (holdings). The total assets of the sub-segment as at 31.12.2009 amounted to EUR 1.6 billion.

KPI (in millions of EUR)	31.12.2009	31.12.2008
Total assets	1,598.5	1,685.9
Loans and advances to customers	1,136.4	618.7
Net profit	77.7	185.2

Energy and industry

J&T Group is an important investor in the energy and industrial sectors. In 2009, Energetický a průmyslový holding, a.s. ("Energy and Industry Holding") was established, including more than 20 companies operating in the energy sector (electricity and heat energy generation, energy distribution, installations and other related services) and other industrial sectors (bus production and companies within the food processing industry). The holding was established by separating the Group's energy and industry entities, to which other non-Group entities operating in energy and related sectors, as well as in other industrial sectors, have also been added. J&T Group acts as a financial investor in two private equity structures in the form of a Limited Partner in a Limited Partnership[2].

Real Estate and others

The aim of this private equity structure is to invest in important real estate assets in the CEE region. As at 31.12.2009, the Group assets in the real estate private equity structure exceeded EUR 100 million. The Group plans to invest in these kinds of private equity investments even more in the future.

OPPORTUNITY

In the Opportunity sub-segment J&T Group invests in projects with a medium-term investment period length. Typically representatives of this kind of investments are TV JOJ and Z1 and the company EAST BOHEMIA ENERGY HOLDING LIMITED, the owner of shares in Elektrárny Opatovice, a.s., Pražská teplárenská a.s. and Energotrans, a.s. J&T Group expects the energy assets to be sold to Energetický a průmyslový holding, a.s. in the third quarter of 2010. The total assets as at 31.12.2009 amounted to EUR 1.2 billion.

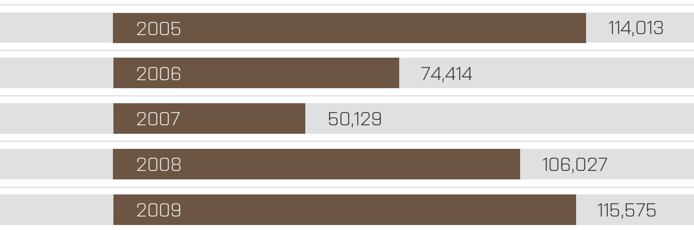
KPI (in millions of EUR)	31.12.2009	31.12.2008
Total assets	1,210.5	197.2
Operating profits	7.7	(8.8)

[1] Net assets

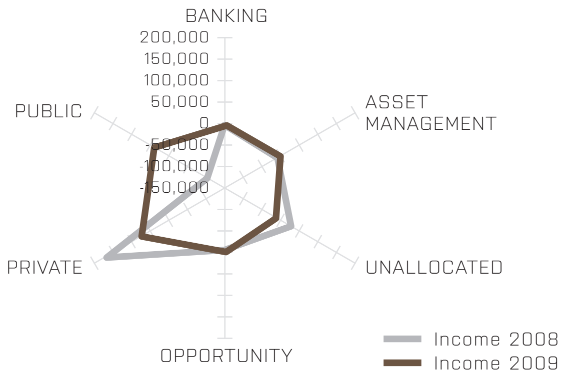
[2] A Limited Partnership is an investing entity without a legal identity, in which there are General Partners, who are the managers of relevant investments, into which the entity (Partnership) is investing, and Limited Partners, who are the financing investors of the entity. The General Partners perform all the decisions regarding the investments of the entity (Partnership) and as such, they control these investments or partial investments. On the other hand, the Limited Partners act as financing investors, who provide funds for the entity, which are then employed by the General Partners.

ANALYSIS OF JTFG INCOME 2009/2008

In thousands of EUR

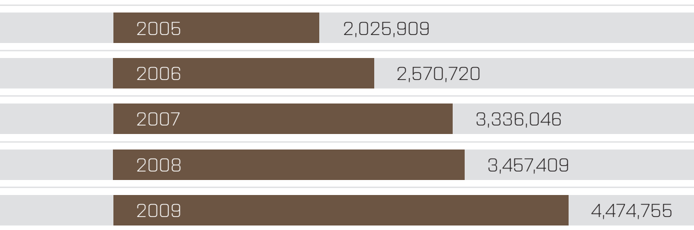


JTFG INCOME 2005 – 2009

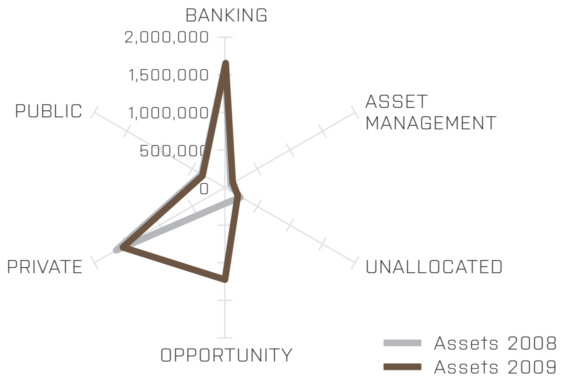


ANALYSIS OF JTFG ASSETS 2009/2008

In thousands of EUR

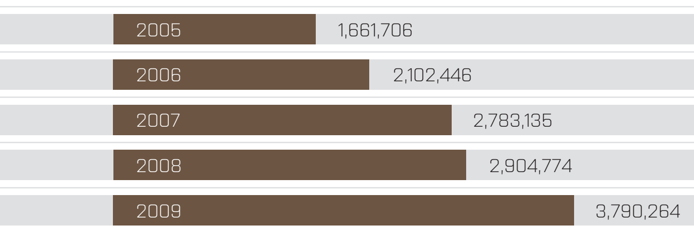


JTFG ASSETS 2005 – 2009

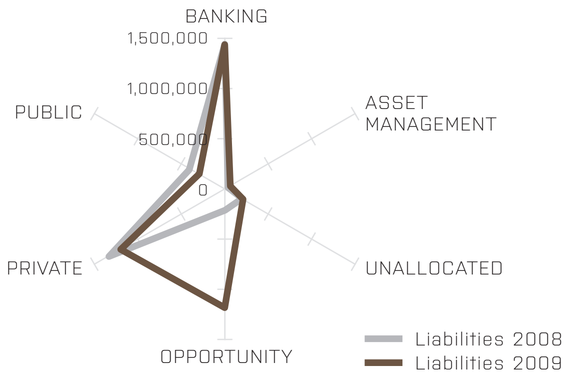


ANALYSIS OF JTFG LIABLITIES 2009/2008

In thousands of EUR



JTFG LIABILITIES 2005 – 2009



THE FINANCIAL OPERATIONS REPORT

NET PROFIT

Net profit attributable to the equity holders of the parent company increased in 2009 by 9% to EUR 115.6 million, whereas the profit attributable to the non-controlling interest was EUR 2.1 million. The structure of the Group profit reflects the Group business structure.

On the one hand there is the Banking segment, which includes the companies with a banking license. The Group achieved net profit of EUR 13.2 million in this segment, which represents a 60% increase. The banks increased their interest margins in the year and therefore, despite a slight decrease in the amount of loans provided by EUR 164.1 million, the consolidated net interest income increased by 37% to EUR 63.3 million. In addition, the banks increased their fee and commission income by 33% to EUR 9.9 million, which was primarily caused by the increase in fees from transactions with financial instruments. The most significant share in the increase was from J&T BANKA a.s., its Slovak branch and J&T Bank (Switzerland) Ltd.

On the other hand there is the Principal Investments segment representing investments outside the banking sector. In this segment the Group recognised a net profit increase of 61% to EUR 119 million. The increase is primarily a result of transactions in the Public sub-segment with net dealing profits of EUR 60.7 million, which almost compensated the prior year net dealing losses of EUR 78.5 million. In February 2009, Fervent Holdings Ltd., a company consolidated in the J&T Group, accepted an offer to take over shares of Zentiva and sold 2,905,960 of these shares with a profit of EUR 5.1 million. The Private sub-segment with a profit of EUR 77.7 million represents the most significant part of the total profit of the Principal Investments segment. The non-financial investments of the Group especially in the energy, industry, real estate and tourism sectors were included in the Private sub-segment in the past. The Group has developed these investments from the beginning of its operations or stepped in as a strong financial investor. In 2008 and 2009 these investments were allocated into separate holdings. The result of the Private sub-segment in 2009 and also in 2008 was influenced primarily by these transfers. The Opportunity sub-segment recognised a loss of EUR 3 million (the loss decreased by EUR 13.6 million compared to 2008).

The Group strategy in the Asset Management segment is to increase the amount of assets under management. The total segment assets under management as at 31.12.2009 of EUR 1.2 billion comprised of the assets managed in own funds (EUR 58.9 million), discretionary portfolio management services (EUR 104.1 million) and other assets under management (EUR 1 billion). The increase in the amount of assets under management resulted in the increase in fee and commission income. The companies within the Asset Management segment generated in 2009 a consolidated loss of EUR 2.2 million, which represents a 71% decrease in loss. The reason for such development was the impairment of intangible assets (intangible assets connected to assets under management and customer relationships) in J&T Bank and Trust Corporation (Barbados). The increasing amount of assets under management resulted in an increase in revenues from fees up to EUR 2.5 million.

Part of the Group income and expenses is not allocated to particular segments. This unallocated part is presented under the segment "Unallocated."

ASSETS AND LIABILITIES

Total consolidated assets of J&T Group as at 31.12.2009 amounted to EUR 4.5 billion and increased by EUR 1 billion or 29% compared to the prior year. In 2009, the Group acquired the company International Power Opatovice, a.s. This transaction resulted in an increase in "Disposal group held for sale" to EUR 1 billion. J&T Group management believes that these assets will be sold in the third quarter of 2010, which will result in a decrease in assets. A gain is however expected from this transaction. Another significant change in the Group assets represents the investment of EUR 200 million in two private equity structures in the form of limited partnerships operating in the energy and industry sectors in the CEE region. Last but not least, the increase in total Group assets was also caused by increased liquidity, where the amount of cash and cash equivalents increased from EUR 349.8 million as at 31.12.2008 to EUR 517.5 million as at 31.12.2009.

In 2009, the Group created an allowance of EUR 9.8 million for the impairment of loans provided by the companies in the Banking segment. The allowance reflects the actual recoverability of the loans. Considering the knowledge of the sectors the loans have been allocated to, the Group management believes that in the medium to long-term perspective, there will be a possibility to recover part or all of these loans.

In the Principal Investments segment the total assets increased by EUR 881.6 million to EUR 2.9 billion compared to the prior year. The increase was primarily caused by the acquisition of the company International Power Opatovice, a.s. in the Opportunity sub-segment.

Although the total assets in the Private segment did not change significantly in absolute terms, the structure has been changed as a result of the sale of assets in the energy and industry sectors in 2009. The assets sold include primarily United Energy a.s., Pražská energetika, a.s., SOR Libchavy spol. s r.o. and others. These transactions resulted in a decrease in the amount of "Disposal group held for sale" by EUR 727.8 million. In 2009, the amount of loans and advances to customers provided by this segment's companies increased significantly (by EUR 517.8 million).

The equity attributable to the equity holders of the parent company as at 31.12.2009 increased by 23% to EUR 663.1 million.

The Group's total liabilities as at 31.12.2009 increased by almost 31% to EUR 3.8 billion. The most significant increase in liabilities was observed in "Liabilities associated with disposal group held for sale", which increased by 120% to EUR 987.6 million in the Opportunity sub-segment. Another reason for the increase in the Group liabilities was also an increase in deposits and loans from customers by EUR 379 million to EUR 2.3 billion (a 20% increase). An increase in deposits and loans from customers was observed primarily in the Private sub-segment.

SUPERVISORY BOARD REPORT

The Supervisory Board of J&T FINANCE GROUP, a. s. consisted of three members in 2009. It continuously worked on the fulfilment of the tasks required by the law and the company's Articles of Association. As a supervisory body, the Supervisory Board monitored the performance of the Board of Directors of J&T FINANCE GROUP, a. s., as well as communicated important messages within the whole J&T Group.

The Supervisory Board directed the operations and fulfilment of strategic goals. The members were informed regularly about significant transactions, the financial situation and other important matters in the company and its subsidiaries.

The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). The individual financial statements were prepared in accordance with the Slovak Act on Accounting and generally applicable Slovak legal regulations.

KPMG Slovensko spol. s r.o. audited the consolidated financial statements prepared in accordance with IFRS and on 28.5.2010 issued its independent auditors' report, the full wording of which is presented on page 12 of this Annual Report.

The Supervisory Board reviewed the individual and consolidated financial statements and concluded that the accounting records and evidence were maintained in a manner which is transparent and in compliance with legislation and that the financial statements present fairly the financial position and performance of J&T FINANCE GROUP, a. s. and the entire Group as of 31.12.2009.

The Supervisory Board concurs with the independent auditors' report. Based on these facts the Supervisory Board recommended that the General Meeting approve the consolidated financial statements of J&T FINANCE GROUP, a. s. as of 31.12.2009.

29 May 2010
Bratislava

RNDr. Marta Tkáčová

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS, BOARD OF DIRECTORS AND SUPERVISORY BOARD OF J&T FINANCE GROUP, a. s.

We have audited the accompanying consolidated financial statements of J&T FINANCE GROUP, a.s., and its subsidiary companies ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2009, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 as to 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 entity'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 entity'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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2009, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our audit opinion, we draw attention to the fact that the Group started in 2008 a long-term planned process to reorganise its activities, which is expected to be completed in 2010. The effect of the related transactions on the Group's financial position and performance is described in Notes 3, 4 and 25 of the consolidated financial statements. The reader should refer to those notes for a proper understanding of the consolidated financial statements.

28 May 2010
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r. o.
Licence SKAU No. 96

Responsible auditor:
Ľuboš Vančo
Licence SKAU No. 745

Responsible audit partner:
Marc Derydt

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

In thousands of EUR	Note	2009	2008
Interest and similar income	5	142,374	96,591
Interest expense and similar charges	5	(103,432)	(108,706)
Net interest income (expense)		**38,942**	**(12,115)**
Fee and commission income		35,055	37,660
Fee and commission expense	6	(48,935)	(43,707)
Net fee and commission expense		**(13,880)**	**(6,047)**
Dealing profits (losses), net	7	75,619	(113,973)
Negative goodwill	8	4,977	2,090
Other operating income	9	59,095	279,614
Operating income		**139,691**	**167,731**
Personnel expenses	10	(28,978)	(23,516)
Depreciation and amortisation	13,14	(8,594)	(8,588)
Goodwill impairment	8,14	(16,284)	—
Impairment of property, plant and equipment and intangible assets	13,14	(3,150)	(8,417)
Other operating expenses	11	(118,186)	(97,185)
Operating expenses		**(175,192)**	**(137,706)**
Increase in allowance for impairment of loans	20	(60,980)	(77,128)
Profit (losses) from operations		(71,419)	(65,265)
Income (expense) from associates and joint ventures	15	31	(50,307)
Profit (loss) before tax		**(71,388)**	**(115,572)**
Income tax expense	**12**	**(2,218)**	**(3,825)**
Profit (loss) for the period from continuing operations		**(73,606)**	**(119,397)**
Profit for the period from discontinued operations	4	191,238	218,474
Profit for the period		**117,632**	**99,077**
ATTRIBUTABLE TO:			
Equity holders of the parent		115,575	106,027
– continuing operations		(75,652)	(113,621)
– discontinued operations		191,227	219,648
Non-controlling interests		2,057	(6,950)
– continuing operations		2,046)	(5,777)
– **discontinued operations**		11	(1,173)
		117,632	**99,077**

Profit from discontinued operations in 2008 includes the whole year of operations of the entities discontinued in 2009 and results of the entities discontinued in 2008 up to the date of disposal. In 2009, the results of the discontinued entities are included up to the date of disposal.

The notes presented on page 24 – 106 form an integral part of the consolidated financial statements.

An analysis of the income statement by segment is provided in Note 2 – Operating segments.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

In thousands of EUR	2009	2008
Profit for the period	**117,632**	**99,077**
OTHER COMPREHENSIVE INCOME		
Foreign exchange translation differences	15,785	(44,610)
Revaluations from step acquisitions	—	2,992
Revaluations on transfers to investment property	—	2,111
Change in fair value of financial assets available for sale	(123)	(75)
Cash flow hedges: Effective portion of changes in fair value	(5,855)	8,776
Other comprehensive income for the period, net of income tax	**9,807**	**(30,806)**
Total comprehensive income for the period	**127,439**	**68,271**
ATTRIBUTABLE TO:		
Equity holders of the parent	125,431	79,038
Non-controlling interests	2,008	(10,767)
Total comprehensive income for the period	**127,439**	**68,271**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

In thousands of EUR	Note	2009	2008
ASSETS			
Property, plant and equipment	13	20,198	22,890
Intangible assets	14	144,769	168,277
Investments in joint ventures and associates	15	1	66
Trade receivables and other assets	18	5,720	25,898
Loans and advances to customers	19,20	778,878	273,366
Receivables from the sale of discontinued operations		37,379	134,965
Financial instruments held to maturity		691	852
Deferred tax assets	16	3,136	889
Total non-current assets		**990,772**	**627,203**
Inventories	17	420	8,922
Trade receivables and other assets	18	299,988	155,972
Loans and advances to customers	19,20	1,068,882	1,249,614
Receivables from the sale of discontinued operations		212,953	58,376
Financial assets at fair value through profit or loss	22	339,075	252,483
Financial instruments held to maturity		340	173
Securities available for sale	23	17,345	29,592
Cash and cash equivalents	24	517,456	349,790
Disposal group held for sale	25	1,027,525	725,284
Total current assets		**3,483,984**	**2,830,206**
Total assets		**4,474,756**	**3,457,409**

In thousands of EUR	Note	2009	2008
EQUITY			
Share capital		31,540	31,540
Share premium		14,937	14,937
Retained earnings and other reserves		616,656	491,225
Equity attributable to equity holders of the parent	**26**	**663,133**	**537,702**
Non-controlling interests	27	21,359	14,933
Total equity		**684,492**	**552,635**

In thousands of EUR	Note	2009	2008
LIABILITIES			
Deposits and loans from banks	28	60,458	71,364
Deposits and loans from customers	29	188,156	60,007
Subordinated debt	33	93,538	92,888
Trade payables and other liabilities	32	1,197	10,856
Deferred tax liabilities	16	19,281	19,614
Total non-current liabilities		362,630	254,729
Deposits and loans from banks	28	124,257	188,750
Deposits and loans from customers	29	2,093,612	1,843,113
Subordinated debt	33	12	115
Financial liabilities at fair value through profit or loss	31	9,123	18,984
Trade payables and other liabilities	32	154,172	146,304
Current income tax		1,059	1,566
Provisions	30	57,804	1,938
Liabilities associated with disposal group held for sale	25	987,595	449,275
Total current liabilities		3,427,634	2,650,045
Total liabilities		3,790,264	2,904,774
Total equity and liabilities		4,474,756	3,457,409

The notes presented on page 24 – 106 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

In thousands of EUR	Share capital	Share premium	Non-distributable reserves
Balance at 1 January 2009	31,540	14,937	9,795
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the year	—	—	—
OTHER COMPREHENSIVE INCOME			
Foreign exchange translation differences	—	—	—
Change in fair value of financial assets available for sale	—	—	—
Cash flow hedges: Effective portion of changes in fair value	—	—	—
Total other comprehensive income	—	—	—
Total comprehensive income for the period	—	—	—
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY			
Transfer to legal reserve fund	—	—	1,286
Dividends	—	—	—
Total transactions with owners	—	—	1,286
CHANGES IN OWNERSHIP IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL			
Effect of disposals	—	—	(1,070)
Effect of changes in shareholdings on non-controlling interests	—	—	—
Total changes in ownership	—	—	(1,070)
Balance at 31 December 2009	31,540	14,937	10,011

	Foreign exchange translation reserve	Revaluation reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total
	(17,565)	33,484	465,511	537,702	14,933	552,635
	—	—	115,575	115,575	2,057	117,632
	15,834	—	—	15,834	(49)	15,785
	—	(123)	—	(123)	—	(123)
	—	(5,855)	—	(5,855)	—	(5,855)
	15,834	(5,978)	—	9,856	(49)	9,807
	15,834	(5,978)	115,575	125,431	2,008	127,439
	—	—	(1,286)	—	—	—
	—	—	—	—	(18)	(18)
	—	—	(1,286)	—	(18)	(18)
	—	(25,239)	26,309	—	(291)	(291)
	—	—	—	—	4,727	4,727
	—	(25,239)	26,309	—	4,436	4,436
	(1,731)	2,267	606,109	663,133	21,359	684,492

In thousands of EUR	Share capital	Share premium	Non-distributable reserves
Balance at 1 January 2008	31,540	14,937	3,216
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the year	—	—	—
OTHER COMPREHENSIVE INCOME			
Foreign exchange translation differences	—	—	—
Revaluations from step acquisitions	—	—	—
Revaluations on transfers to investment property	—	—	—
Change in fair value of financial assets available for sale	—	—	—
Cash flow hedges: Effective portion of changes in fair value	—	—	—
Total other comprehensive income	—	—	—
Total comprehensive income for the period	—	—	—
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY			
Transfer to legal reserve fund	—	—	7,731
Dividends	—	—	—
Total transactions with owners	—	—	7,731
CHANGES IN OWNERSHIP IN SUBSIDIARIES THAT DO NOT RESULT IN A LOSS OF CONTROL			
Effect of disposals	—	—	(1,152)
Effect of acquisitions	—	—	—
Effect of changes in shareholdings on non-controlling interests	—	—	—
Total changes in ownership	—	—	(1,152)
Balance at 31 December 2008	31,540	14,937	9,795

The notes presented on page 24 – 106 form an integral part of the consolidated financial statements.

Foreign exchange translation reserve	Revaluation reserve	Retained earnings	Total attributable to equity holders of the parent	Non-controlling interests	Total
23,228	25,991	446,135	545,047	71,678	616,725
—	—	106,027	106,027	(6,950)	99,077
(40,793)	—	—	(40,793)	(3,817)	(44,610)
—	2,992	—	2,992	—	2,992
—	2,111	—	2,111	—	2,111
—	(75)	—	(75)	—	(75)
—	8,776	—	8,776	—	8,776
(40,793)	13,804	—	(26,989)	(3,817)	(30,806)
(40,793)	13,804	106,027	79,038	(10,767)	68,271
—	—	(7,731)	—	—	—
—	—	(86,383)	(86,383)	(4,213)	(90,596)
—	—	(94,114)	(86,383)	(4,213)	(90,596)
—	(6,311)	7,463	—	(36,438)	(36,438)
—	—	—	—	4,133	4,133
—	—	—	—	(9,460)	(9,460)
—	(6,311)	7,463	—	(41,765)	(41,765)
(17,565)	33,484	465,511	537,702	14,933	552,635

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

In thousands of EUR	Note	2009	2008
OPERATING ACTIVITIES			
Profit from operations		112,799	105,218
Adjustments for:			
Depreciation and amortization	13,14	22,984	61,529
Impairment losses	13,14	19,434	10,149
Revaluation of investment property	9,11	186	(4,363)
Revaluation of financial instruments at fair value		(49,500)	105,390
(Gain) / loss on disposal of property, plant and equipment, investment property and intangible assets	9,11	(271)	5,081
(Gain) / loss on the sale of emission rights	9,11	(14,473)	4,187
Profit on disposal of subsidiaries, special purpose entities, joint ventures, associates and non-controlling interests	9	(152,073)	(211,709)
(Profit) / loss on disposal of financial assets		(5,066)	5,284
Interest (income) / expense, net	5	(25,356)	43,921
Increase in allowance for impairment of loans	20	60,980	77,128
Change in impairment of trade receivables and other assets		11,444	10,456
Change in impairment of inventories		(2,908)	1,623
Change in provisions	30	58,338	(79,464)
Negative goodwill	8	(4,977)	(8,863)
Unrealised foreign exchange gains, net		10,553	83,727
Operating profit before changes in working capital		**42,094**	**209,294**
Change in available for sale and held to maturity financial assets		11,128	7,594
Change in loans and advances to customers		(95,830)	39,541
Change in trade receivables and other assets		45,601	(155,683)
Change in inventories		6,832	(4,086)
Change in deposits and loans from banks		(147,283)	(31,459)
Change in deposits and loans from customers		332,479	350,038
Change in trade payables and other liabilities		409,800	119,549
Cash generated from / (used in) operations		**604,821**	**534,788**
Interest paid		(91,014)	(105,713)
Income taxes paid		(15,987)	(27,069)
Cash flows generated from / (used in) operating activities		**497,820**	**402,006**

In thousands of EUR	Note	2009	2008
INVESTING ACTIVITIES			
Purchase of financial instruments at fair value through profit or loss		(222,680)	(290,473)
Proceeds from sale of financial instruments at fair value through profit or loss		179,156	165,508
Acquisition of property, plant and equipment, investment property and intangible assets		(26,495)	(219,652)
Proceeds from sale of emission rights		20,957	44,011
Proceeds from sale of property, plant and equipment, investment property and other intangible assets		2,299	51,354
Acquisition of associates and joint ventures	3	—	—
Acquisition of subsidiaries and special purpose entities, net of cash acquired	3	(674,565)	(48,630)
Net cash (outflow)/ inflow from disposal of subsidiaries and special purpose entities	3	265,415	(72,348)
Increase in participation in existing subsidiaries and special purpose entities	3	—	(10,614)
Interest received		90,169	64,035
Dividends received		640	10,243
Cash flows generated from / (used in) in investing activities		**(365,104)**	**(306,566)**

In thousands of EUR	Note	2009	2008
FINANCING ACTIVITIES			
Subordinated debt issued		—	9,935
Payments for finance lease		(514)	(1,011)
Dividends paid		(18)	(90,595)
Cash flows generated from / (used in) by financing activities		**(532)**	**(81,671)**
Net increase in cash and cash equivalents		**132,184**	**13,769**
Cash and cash equivalents at beginning of the year		**386,639**	**397,745**
Effect of exchange rate fluctuations on cash held		102	(24,875)
Cash and cash equivalents at end of the year		**518,925**	**386,639**
Cash and cash equivalents	24	517,456	349,790
Cash and cash equivalents included in disposal group held for sale	25	1,469	36,849
Cash and cash equivalents at end of the year		**518,925**	**386,639**

See Note 4 – Discontinued operations for the cash flows relating to operating, investing and financial activities from discontinued operations.

Cash and cash equivalents includes cash included in disposal group, see Note 25 – Disposal group held for sale.

The notes presented on page 24 – 106 form an integral part of the consolidated financial statements.

J&T Finance Group, a.s. (the "Parent Company" or "the Company") is a joint–stock company having its legal seat and domicile at Lamačská cesta 3, 841 05 Bratislava. The Company was founded on 7 February 1995 and incorporated into the commercial register on 20 March 1995. The shareholder of the Company is a partnership between Jozef Tkáč and Ivan Jakabovič.

The shareholder of the Company as at 31 December 2009 and 31 December 2008 was as follows:

	Interest in share capital		Voting rights
	TEUR	%	%
Techno Plus, a.s.	31,540	100	100
Total	**31,540**	**100**	**100**

The consolidated financial statements of the Company for the year ended 31 December 2009 comprise the Parent Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates, jointly controlled entities and special purpose entities.

Until 2008 the main activities of the Group were investment and private banking, the development of real estate properties for sale and commercial use, asset management and corporate investments in the energy and industry sectors.

In the last quarter of 2008, the Group started a long-term planned process of reorganisation of its activities, with the aim to separate its banking activities from the other business segments. The first part of the process resulted in disposal of the Real Estate segment by the end of 2008, and partial disposal of the Corporate Investment segment (energy and industry sectors). At the same time, governance of the Group was changed, leading notably to the termination of the positions of Partners and Top Managers.

Partnerships

Completion of the reorganisation process is expected in 2010 and, going forward, the Group will focus its activities on private banking, asset management, financial markets and investments in specific projects.

The Group's strategic intent as far as the disposed segments are concerned is to act as a financial investor. To this effect, the Group has invested in private equity funds, J&T Partners LP I (Cyprus) and LP II (Cyprus), which hold participations in Energetický a průmyslový holding, a.s. (Czech Republic). Another private equity structure, currently being created, will invest in real estate assets. In the future the Group plans to use such type of investments more frequently, both in connection with disposed segments and new investment opportunities.

SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on 28 May 2010.

(b) Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, financial assets and liabilities at fair value through profit or loss and available for sale.

Non-current assets held for sale and discontinued operations are stated at the lower of their carrying amount and fair value less costs to sell.

The consolidated financial statements are presented in Euro, rounded to the nearest thousand. The accounting policies have been consistently applied by the Group enterprises and are consistent with those used in the previous year. Certain comparative amounts have been reclassified to conform with the current year's presentation, notably with regard to presentation of discontinued operations.

Financial statements prepared in compliance with International Financial Reporting Standards require various judgements, assumptions, and estimates to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results will likely differ from these estimates. Critical accounting estimates and judgements made by management with a significant risk of material adjustment in the next year are discussed in Note 1 – Critical accounting estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

The following standards, amendments to standards and interpretations are effective for the year ended 31 December 2009, and have been applied in preparing the Group's financial statements:
IAS 1 – Presentation of financial statements - effective for annual periods beginning on or after 1 January 2009. The revised standard is the replacement of the income statement by a statement of comprehensive income, which also includes all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities are allowed to present two statements: a separate income statement and a statement of comprehensive income. The revised IAS 1 also introduced a requirement to present a statement of financial position (formerly balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The revised IAS 1 affected the presentation of the Group's financial statements but had no impact on the recognition or measurement of specific transactions and balances.

The revised IAS 23 – Borrowing costs (issued in March 2007) – The main change to IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise such borrowing costs as part of the cost of the asset. The revised standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009 and the Group adopted this revised standard accordingly.

IFRS 7 – Financial Instruments: Disclosures (revised in March 2009) – Effective 1 January 2009, the amendment requires enhanced disclosures about fair value measurements and liquidity risk. The enhanced fair value measurement disclosure requirements include: a fair value hierarchy (i.e. categorization of all financial instruments into levels 1, 2 and 3 based on the relevant definitions); significant transfers between level 1 and level 2; reconciliation of level 3 instruments at the beginning of the period to the ending balance; level 3 profit or loss for positions still held at the balance sheet date; and sensitivity information for the total position of level 3 instruments and the basis for the calculation of such information. The amended liquidity risk disclosure requirements largely confirm the previous rules for providing maturity information for non-derivative financial liabilities, but amend the rules for providing maturity information for derivative financial liabilities.

IFRS 8 – Operating segments – requires an entity to report financial and descriptive information about its reportable segments. Generally, financial information is required to be reported on the basis that is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments (management approach). The standard requires an explanation of how segment profit or loss and segment assets and liabilities are measured for each reportable segment. IFRS 8 requires an entity to report information about the revenues derived from its products or services (or groups of similar products and services), about the countries in which it earns revenues and holds assets, and about major customers, regardless of whether that information is used by management in making operating decisions. IFRS 8 affects the presentation and disclosure of segment information, but there is no effect on reported profit or net assets. The provisions of IFRS 8 are effective for annual periods beginning on or after 1 January 2009 and the information for the previous year was restated accordingly.

Amendment to IFRS 5 – Measurement of non-current assets (or disposal groups) classified as held-for-sale, has been adopted in advance of its effective date (1 January 2010). The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirements of IAS 1 still applies. The amendment is consistent with accounting policies that have been applied by the Group.

Amendment to IAS 7 – Statement of Cash Flow, has been adopted in advance of its effective date (1 January 2010). The amendment specifies that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flow. The amendment is consistent with accounting policies that have been applied by the Group.

Amendments to IAS 38 – Intangible Assets resulting from the Improvements to IFRSs (2008). IAS 38 has been amended to state that an entity is permitted to recognise a prepayment asset for advertising or promotional expenditure only up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services.

Issued but not yet effective International Financial Reporting Standards

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these financial statements:

IFRIC 17 – Distributions of Non-cash Assets to Owners, and complementary Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, (effective for accounting periods beginning on or after 1 July 2009). IFRIC 17 provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. The scope of IFRS 5 has been extended to non-cash assets held for distribution. Both Interpretation and Amendments will be applied on a prospective basis and their effect on the Group's results and position will not be material.

Amendment to IFRIC 14 – 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', (effective for annual periods beginning 1 January 2011 with earlier application permitted). The amendments correct an unintended consequence of IFRIC 14 – 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when

IFRIC 14 was issued, and the amendments correct the problem. The amendments must be applied retrospectively to the earliest comparative period presented. The interpretation does not affect the current Group`s business activities and transactions.)

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, (effective for annual periods beginning on or after 1 July 2010, however, it must be applied retrospectively from the beginning of the earliest comparative period presented.) IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability. The Group expects that there will be no effect on the Group's results and position.
Amendments to IAS 28 - Investments in Associates (2008) (effective for annual periods beginning on or after 1 July 2009). The principle adopted under IAS 27 (2008) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to IAS 28; therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss. The Group expects that the effect on the Group's results and position will not be material.

Amendment to IAS 38 – Intangible Assets, (effective for annual periods beginning on or after 1 July 2009). The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The Group expects that the effect on the Group's results and position will not be material.

Amendment to IFRS 2 – Share-based Payment, (effective for annual periods beginning on or after 1 July 2009). The amendment clarifies the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award. As the Group prepares consolidated financial statements, this amendment does not effect to the Group and its transactions.

Amendment to IAS 1 – Presentation of financial statements, (effective for annual periods beginning on or after 1 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group will apply the amendment from 1 January 2010. No impact on the financial statements resulting from the amendment is expected.

Amendment to IAS 17 – Leases, (effective for annual periods beginning on or after 1 January 2010, and they are to be applied retrospectively to unexpired leases at 1 January 2010 if the necessary information was available at the inception of the lease). Following the amendments, leases of land are classified as either 'finance' or 'operating' in accordance with the general principles of IAS 17. The revised Standard will be applied based on the facts and circumstances existing on 1 January 2010 and the Group will recognise assets and liabilities related to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings. The Group expects that the effect on the Group's results and position will not be material.

Amendment to IFRS 8 – Operating Segments, (effective for annual periods beginning on or after 1 January 2010) about disclosure of information about segment assets. The Group expects that the effect on the Group's results and position will not be material.

Amendment to IAS 36 – Impairment of assets, (effective for annual periods beginning on or after 1 January 2010). The amendment clarifies the unit of accounting for goodwill impairment testing using segments under IFRS 8 before aggregation. The Group expects that the effect on the Group's results and position will not be material.

Amendments to IAS 39 – Financial instruments: Recognition and Measurement, (effective for annual periods beginning on or after 1 January 2010). The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options. Another subject of this amendment is treating loan prepayment penalties as closely related embedded derivatives or scope exemption for business combination contracts. The Group will apply the amendments from 1 January 2010. The Group expects that the effect on the Group's results and position will not be material.

IAS 24 (revised) – Related Party Disclosures, (effective for annual periods beginning on or after 1 January 2011). The amendment modifies the definition of a related party and simplifies related party disclosures for government-related entities. The Group is currently assessing the impact of the amended standard on its financial statements.

IFRS 9 – Financial Instruments, (effective for annual periods beginning on or after 1 January 2013, with early adoption permitted starting in 2009). On 12 November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. By the end of 2010, then, IFRS 9 will be a complete replacement for IAS 39. The Group does not intend to apply IFRS 9 earlier than for the accounting period beginning on 1 January 2011.

The revised IFRS 3 – Business combinations - allows entities to choose to measure non-controlling interests using the existing IFRS 3 method (proportionate share of the acquiree's identifiable net assets) or at fair value. The revised IFRS 3 is more detailed in providing guidance on the application of the acquisition method to business combinations. The requirement to measure at fair value every asset and liability at each step in a step acquisition for the purposes of calculating a portion of goodwill has been removed. Instead, goodwill is measured at acquisition date as the difference between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Acquisition-related costs are accounted for separately from the business combination and therefore recognised as expenses rather than included in goodwill. An acquirer has to recognise at the acquisition date a liability for contingent purchase consideration. Changes in the value of that liability after the acquisition date should be recognised in accordance with other applicable IFRSs, as appropriate, rather than by adjusting goodwill. The revised IFRS 3 brings into its scope business combinations involving only mutual entities and business combinations achieved by contract alone. The revised standard is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The Group expects that there will not be a material effect on the Group's results and position.

IAS 27 – Consolidated and Separate Financial Statements (2008). The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

Other International Financial Reporting Standards

The Group has not early adopted any IFRS standards where adoption is not mandatory at the balance sheet date, except the Amendments to IAS 7 and IFRS 5 as described above. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise, so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The consolidated financial statements include the Group's interests in other entities based on the Group's ability to control such entities regardless of whether control is actually exercised or not. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

(iii) Jointly controlled entities (joint ventures)

Jointly controlled entities are those enterprises over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's share of the total recognised gains and losses of joint ventures on an equity accounted basis, from the date that joint control commences until the date that joint control ceases.

(iv) Special purpose entities ("SPEs")

The Group operates partly through SPEs, in which it does not have any direct or indirect shareholdings. Consolidated special purpose entities are principally those from which the Group will obtain the majority of the economic benefits embodied in or to be realised by those entities.

(v) Consolidation scope

There are 59 companies included in the consolidation as at 31 December 2009 (2008: 72). All fully consolidated companies prepared their annual financial statements at 31 December 2009. The companies are listed in Note 42, and this list is based on ownership hierarchy.

Although the Group does not own shares in the SPEs, the majority of the economic benefits belong to the Group (refer to accounting policy c.iv).

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Unrealised gains arising from transactions with associates are eliminated against the investment in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Purchase method of accounting

The purchase method of accounting is used to account for the acquisition of subsidiaries of the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the costs directly attributable to the acquisition. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable assets acquired and liabilities and contingent liabilities assumed is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is reassessed and any excess remaining after that reassessment is recognised immediately in the income statement.

Acquisitions of shares from minority shareholders subsequent to obtaining control of a subsidiary are accounted for at the carrying values of assets, equity instruments and liabilities as at the date of acquisitions of such additional shares. The excess of cost over the carrying value of the Group's share of these assets, equity instruments and liabilities is recorded as goodwill. If the cost of acquisition is less than the carrying value of the Group's share acquired, the excess is recognised in the income statement.

(viii) Tax effect of inclusion of the consolidated subsidiaries' reserves

The consolidated financial statements do not include the tax effects that might arise from transferring the consolidated subsidiaries' reserves to the accounts of the Parent Company, since no distribution of profits, not taxed at the source, is expected in the foreseeable future, and the Group considers that these reserves will be used as self-financing resources at each consolidated subsidiary.

(ix) Unification of accounting principles

The accounting principles and procedures applied by the consolidated companies in their financial statements were unified in the consolidation, and agree with the principles applied by the Parent Company.

(d) Foreign currency

(i) Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro, which is the Group's presentation currency as of 1 January 2009.

Following the Euro conversion on 1 January 2009, assets and liabilities denominated in Slovak crowns (except for advance payments made and advance payments received) were translated to Euro currency according to the official Euro conversion rate (30.126 SKK/EUR), rather than the exchange rate announced by the National Bank of Slovakia as of the Balance Sheet date and were recorded with an impact on the income statement in 2009.

Transactions in foreign currencies are translated into Euro at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the balance sheet date at the exchange rate of the European Central Bank ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Euro at the foreign exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Euro at the foreign exchange rates ruling at the dates the fair values are determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated into Euro at the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in other comprehensive income.

(iii) Embedded derivatives

Hybrid financial instruments are a combination of non-derivative host contracts and derivative financial instruments (embedded derivatives). Subject to certain conditions, IAS 39 Financial Instruments: Recognition and Measurement requires that embedded derivative components be separated from the host contracts and separately reported and valued.

(e) Financial instruments

(i) Classification

Financial instruments at fair value through profit or loss are those that the Group principally holds for trading, that is, with the purpose of short-term profit taking. These include investments and derivative contracts that are not designated as effective hedging instruments and liabilities from short sales of financial instruments.

Loans and advances to banks and customers are non-derivative financial assets with fixed and determinable payments, not quoted in an active market, which are not classified as securities available for sale or held to maturity or as financial assets at fair value through profit or loss.

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity.

Available-for-sale financial assets are those non-derivative financial assets that are not designated at fair value through profit or loss, loans and advances to banks and customers or as held to maturity.

(ii) Recognition

Financial assets at fair value through profit or loss and available-for-sale assets are recognised on the date the Group commits to purchase the assets. Regular way purchases and sales of financial assets including held-to-maturity assets are accounted for on the trade date.

Loans and advances to banks and customers are recognised on the day they are acquired by the Group.

(iii) Measurement

Financial instruments are measured upon initial recognition at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial instrument.

Subsequent to initial recognition, financial assets are measured at their fair value, except for loans and advances to customers and held-to-maturity instruments, which are measured at amortised cost. After initial recognition, financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss. In measuring amortised cost, any difference between cost and redemption value is recognised in the income statement over the period of the asset or liability on an effective interest rate basis.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by management using pricing models or discounted cash flows techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate at the balance sheet date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market-related measures at the balance sheet date.

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in fair value are recognised in the income statement for instruments at fair value through profit or loss and directly in other comprehensive income as a revaluation difference for assets available for sale. Changes in fair value of available-for-sale assets are derecognised from other comprehensive income through profit or loss at the moment of sale. Interest income and expense from available-for-sale securities are recorded in the income statement by applying the effective interest rate method.

(vi) Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when the Group's obligations specified in the contract expire or are discharged or cancelled.

Available-for-sale assets and assets at fair value through profit or loss that are sold are derecognised and the corresponding receivables from the buyer for the payment are recognised as of the date the Group commits to sell the assets.

Held-to-maturity instruments and loans and advances to banks and customers are derecognised on the day they are sold by the Group.

(vii) Accounting for hedging instruments

Hedging instruments which consist of derivatives associated with a currency risk are classified either as cash-flow hedges or fair value hedges.

From the inception of the hedge, the Group maintains a formal documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. The Group also periodically assesses the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

In case of a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

The movement in the revaluation reserve from hedging instruments in equity is disclosed in the Consolidated statement of comprehensive income.

In case of a fair value hedge, the gain or loss from remeasuring the hedging instrument at fair value is recognised in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and in banks, cash deposited with central banks and short-term highly liquid investments with original maturities of three months or less, including treasury bills and other bills eligible for rediscounting with central banks.

(g) Loans and advances to banks and customers

Loans and advances to banks and customers originated by the Group are classified as originated loans and receivables. Loans and advances are reported net of impairment allowance to reflect the estimated recoverable amounts (refer to accounting policy k).

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

Purchased inventory is stated at cost, which includes the purchase price and other directly attributable expenses incurred in acquiring the inventories and bringing them to their existing location and condition. Inventories of a similar nature are valued using the weighted average cost method.

(i) Sale and repurchase agreements

Where securities are sold under a commitment to repurchase at a predetermined price (repos), they remain on the balance sheet and a liability is recorded equal to the consideration received. Conversely, securities purchased under a commitment to resell (reverse repos) are not recorded on the balance sheet and the consideration paid is recorded as a loan. The difference between the sale price and the purchase price is treated as interest and accrued evenly over the life of the transaction. Repos and reverse repos are recognised on a settlement date basis.

(j) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

(k) Impairment

The carrying amounts of the Group's assets, other than inventories (refer to accounting policy h) and deferred tax assets (refer to accounting policy s) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment as part of the cash generating unit to which they belong.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Loans and advances are presented net of impairment allowances. Allowances for impairment are determined based on the credit standing and performance of the borrower and take into account the value of any collateral or third-party guarantee.

The recoverable amount of the Group's investment in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed upon initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the income statement. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement, then the impairment loss is reversed, with the amount of the reversal recognised in the income statement.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer to accounting policy k).

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

(ii) Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy k).

(iii) Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and its cost can be measured reliably. All other expenditures including the costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

– Buildings	40 years
– Equipment	5 - 30 years
– Fixtures, fittings and others	5 - 10 years

Depreciation methods and useful lives, as well as residual values, are reassessed annually at the reporting date.

(m) Intangible assets

(i) Goodwill and intangible assets acquired in a business combination

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included under intangible assets. Goodwill on acquisitions of associates and joint ventures is included in the carrying amount of investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Negative goodwill arising on an acquisition is reassessed and any excess remaining after the reassessment is recognised in the income statement.

Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. Intangible assets with an indefinite useful life are not subject to amortisation and are recorded at cost less impairment. Intangible assets with a definite useful life are amortised over their useful lives and are recorded at cost less accumulated amortisation and impairment.

(ii) Emission rights

Emission rights are accounted for under the cost model. Initially, emission rights are recognized at their fair values with reference to an active market as a non-depreciable intangible asset with a corresponding deferred income amount (government grant).

The consumption of rights is reflected in expenses on a continuous basis based on the actual production of emissions, with a corresponding decrease in the carrying value of deferred income on a systematic basis over the period for which the rights were issued.

For a shortage of rights, a provision is recorded based on current fair values. Any surplus of rights is sold on the open market.

(iii) Software, TV format and other intangible assets
Software and other intangible assets acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (refer to accounting policy k).

TV format as newly recognized intangible assets acquired in business combinations (based on IFRS 3 requirements) are recorded at their fair value as at the acquisition date.

The useful lives are usually finite. Those intangible assets that have an indefinite useful life are not amortised and are tested annually for impairment. Their useful life is reviewed at each period-end to assess whether events and circumstances continue to support an indefinite useful life.

(iv) Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date the asset is available for use. The estimated useful lives are as follows:

– Software	4 years
– Other intangible assets	2 - 9 years
– TV format	Indefinite
– Customers relationships	Company specific

(n) Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(i) Partners' remunerations
The provision for partners' remuneration represents the best estimate of future costs for remuneration of partners of the Group. The provision is measured based on expected profits to be derived from the projects carried out by the Group. Due to the nature of the various schemes there exists uncertainties as to both the amounts and timings of these payments.

(ii) Employee benefits
The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the yield at the balance sheet date in high quality bonds that have maturity dates approximating the terms of the Group's obligations.

(iii) Warranties
A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and weighting of all possible outcomes against associated probabilities.

(o) Interest income and expense
Interest income and expense is recognised in the income statement as it accrues. Interest income and expense includes the amortisation of any discount or premium or other differences between the initial carrying amount of an

interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. All borrowing costs are recognised in the income statement.

(p) Fee and commission income and expense

Fee and commission income arises on financial services provided by the Group, including cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services. Assets under management comprising all client assets managed or held for investment purposes by the Group in its own name, but for the account of third parties, are not reported in its consolidated balance sheet (refer to Note 39 – Assets under management). Commissions received from such business are shown in fee and commission income.

Fee and commission income and expense are recognised when the corresponding services are provided or received.

(q) Dealing profits, net

Dealing profits, net includes gains and losses arising from disposals and changes in the fair value of financial assets and liabilities available for sale and at fair value through profit or loss, as well as gains and losses from foreign exchange trading.

(r) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

(s) Income tax

Income tax on the profit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. No temporary differences are recognised on the initial recognition of goodwill. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised respectively.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Operating and finance lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Minimum lease payments for finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(u) Research and development services

Revenue from research and development services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date.

(v) Revenue from goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

(w) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured as the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer, it is probable that they will result in revenue and they can be measured reliably.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(x) Trade and other payables

Trade and other payables are stated at amortised cost.

(y) Dividends

Dividends are recognised in the statement of changes in equity and recorded as liabilities in the period in which they are declared.

(z) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(aa) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (and all assets and liabilities in a disposal group) are re-measured in accordance with applicable IFRSs. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group (discontinued operation) is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement. Gains are not recognised in excess of any cumulative impairment loss.

Any gain or loss on the re-measurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of a discontinued operation is included in profit or loss from continuing operations.

(bb) Operating segments

Operating segments are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group reports information to the chief operating decision maker about the revenues derived from its products or services (or groups of similar products and services), about the countries in which it earns revenues and holds assets, and about major customers. In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The operating segments regularly reviewed by the chief operating decision maker include Banking, Asset management, and Principal investments. The Banking segment includes Group companies whose activities mainly comprise receiving deposits and providing credit or loans. The major companies in the segment have banking licenses. The Asset management segment comprises Group companies active in the asset management business. The Principal investments segment includes investments which do not fall into either the banking or asset management segments and are held as medium or longer term investments for the Group.

The Principal investments segment is further divided into sub-segments, Public, Private, and Opportunity. The Public sub-segment consists of activities with publicly traded financial instruments. The Private sub-segments includes principally investments for strategic purposes with long-term investment horizons. Financing is obtained from standard loan products (senior or mezzanine) or private equity funds or partnerships. The Opportunity sub-segment consists of activities and investments with potential for exits in the medium term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Business combinations and purchase price allocations

The acquiree's identifiable assets, liabilities and contingent liabilities are recognised and measured at their fair values at the acquisition date. Allocation of the total purchase price among the net assets acquired for financial statement reporting purposes is performed with the support of professional advisors.

The valuation analysis is based on historical and prospective information available as of the date of the business combination. Any prospective information that may impact the fair value of the acquired assets is based on management's expectations of the competitive and economic environments that will prevail in the future.

The results of the valuation analyses are used as well for determining the amortisation and depreciation periods of the values allocated to specific intangible and tangible fixed assets.

Fair value adjustments resulting from business combinations in 2009 are presented in the following table:

In thousands of EUR	Intangible assets and PPE	Investment in associate	Provisions	Other liabilities	Deferred tax asset/ (liability)	Total net balance sheet effect
SUBSIDIARIES						
International Power Opatovice, a.s.	407,653	364,089	(1,963)	3,921	(147,003)	626,697

International Power Opatovice, a.s. is included under Disposal group held for sale.

(b) Goodwill and impairment testing

The Group conducts impairment testing of goodwill arisen in a business combination during the current period and impairment testing of goodwill already recognised in prior years annually. The Group also conducts impairment testing of other intangible assets with indefinite useful lives and of cash-generating units (CGU) where a trigger for impairment testing is identified. As at the acquisition date, goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates, on the basis of a value in use that reflects estimated future discounted cash flows or on the basis of fair value less costs to sell. In the majority of cases the Group estimated the recoverable amounts of goodwill and the cash generating units based on value in use. Value in use was derived from management forecasts of future cash flows updated since the date of acquisition. The discount rates applied to the cash flow projections are calculated as the weighted average cost of capital (WACC) of each CGU.

In 2009 goodwill decreased principally due to recognised impairment losses. Set out below is a description of the impairment testing carried out.

J&T Media Group

In 2009 the Group conducted impairment testing of goodwill arisen from the 2007 acquisition of J&T Media Group.

Before recognition of impairment losses for the year 2009, the carrying amount of goodwill allocated to the CGU was EUR 33,256 thousand. The recoverable amount of the CGU was determined on the basis of value in use that was derived from the business plan prepared by management. The key assumption used, and which was also the most sensitive factor in determination of the recoverable amount, was expected revenues, as assessed by management. Management's approach to determining the values assigned to each key assumption reflects past experience in the television markets and are consistent with external sources of information. The cash flow projections used for the value in use determination cover a five-year period. The growth rate used to extrapolate cash flow projections beyond this period was 2%, which is considered to be reasonable within the market and country J&T Media Group operates in. The discount rate was 9.7%.

The carrying amount of the CGU exceeded its recoverable amount, which resulted in an impairment loss of EUR 10,000 thousand. After recognition of the impairment loss, the carrying amount of goodwill allocated to the CGU is EUR 23,256 thousand. Were revenues to differ by 10% down from management's estimate, the value in use would decrease and lead to an additional impairment loss of EUR 16,258 thousand.

J&T Bank ZAO

In 2009 the Group conducted impairment testing of goodwill arisen from the 2007 acquisition of J&T Bank ZAO.

Before recognition of impairment losses for the year 2009, the carrying amount of goodwill allocated to the CGU was EUR 5,472 thousand. The recoverable amount of the CGU was determined on the basis of value in use that was derived from the business plan prepared by management. The key assumption used, and which was also the most sensitive factor in determination of the recoverable amount, was expected revenues, as assessed by management. Management's approach to determining the values assigned to each key assumption reflects past experience in the Russian banking market and are consistent with external sources of information. The cash flow projections used for the value in use determination cover a five-year period. The growth rate used to extrapolate cash flow projections beyond this period was 3.5%, which is considered to be reasonable within the market and country the company operates in. The discount rate ranged from 16.7% to 18.0%.

The carrying amount of the CGU exceeded its recoverable amount, and as a result all the goodwill directly related to the CGU was written down. No other write-down of the assets of J&T Bank ZAO was considered necessary. Were revenues to differ by 10% down from management estimate, the value in use would decrease, and this would indicate an additional impairment loss of EUR 3,295 thousand.

J&T Bank (Switzerland) Ltd.

In 2009 the Group conducted impairment testing of goodwill arisen from the 2007 acquisition of J&T Bank (Switzerland) Ltd. Before recognition of impairment losses for the year 2009, the carrying amount of goodwill allocated to the CGU was EUR 812 thousand. The recoverable amount of the CGU was determined on the basis of value in use that was derived from the business plan prepared by management. The key assumption used, and which was also the most sensitive factor in determination of the recoverable amount, was expected revenues, as assessed by management. Management's approach to determining the values assigned to each key assumption reflects past experience in the Swiss banking market and are consistent with external sources of information. The cash flow projections used for the value in use determination cover a five-year period. The growth rate used to extrapolate cash flow projections beyond this period was 2%, which is considered to be reasonable within the market and country the company operates in. The discount rate was 3.7%.

The carrying amount of CGU exceeded its recoverable amount, and as a result all the goodwill directly related to the CGU was written down. Additionally, it was identified that certain customer relationships of J&T Bank (Switzerland) Ltd. were impaired in amount of EUR 1,185 thousand and these were also written down.

Bayshore Merchant Services Inc.

As part of the acquisition of Bayshore Merchant Services Inc. in April 2008, the Group acquired customer relationships with an indefinite useful life. This was subject to impairment testing. Before recognition of impairment losses for the year 2009, the carrying amount of customer relationships was EUR 23,205 thousand.

The recoverable amount of this intangible asset as at 31 December 2009 was determined on the basis of value in use, derived from the business plan updated since the date of acquisition. The key assumptions used, and which were also the most sensitive factors in the determination of the recoverable amount, were planned revenues and the cost of capital used as discount factor for future net cash flows. Revenues have been forecast based on nominal GDP, inflation, redemption rate and volatility in financial and foreign exchange markets, which directly affect the expected appreciation of assets under management and the corresponding fees charged to investors.

As a result, an impairment loss of EUR 2,151 thousand on the carrying amount of customer relationships was identified and recognised. Were revenues to differ by 10% down from management's estimate, the value in use would decrease, and this would indicate an additional impairment loss of EUR 1,919 thousand.

(c) Financial instruments

The fair value of financial instruments is determined based on:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices of similar instruments) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the market for a financial instrument is not active, fair value is estimated by using valuation techniques. In applying valuation techniques, management uses estimates and assumptions that are consistent with available information about estimates and assumptions that market participants would use in setting a price for the financial instrument.

	2009				2008			
In thousands of EUR	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Derivatives	—	2,247	—	2,247	—	11,812	—	11,812
Other financial assets at fair value through profit or loss	307,675	29,153	—	336,828	234,418	4,005	2,248	240,671
Total	**307,675**	**31,400**	**—**	**339,075**	**234,418**	**15,817**	**2,248**	**252,483**
Securities available for sale[1]	513	16,438	394	17,345	—	—	29,592	29,592
FINANCIAL LIABILITIES								
Derivatives	84	8,986	—	9,070	—	18,984	—	18,984
Other financial liabilities at fair value through profit or loss	53	—	—	53	—	—	—	—
Total	**137**	**8,986**	**—**	**9,123**	**—**	**18,984**	**—**	**18,984**

[1] As fair value cannot be reliably determined, shares in the portfolio of available-for-sale financial instruments are held at acquisition cost. Part of the balance as of 31 December 2008 consists of bills of exchange, which were reclassified to Loans and advances to customers in 2009.

Were fair values to differ by 10% from management's estimates, the net carrying amount of financial instruments would be an estimated EUR 34,730 thousand higher or lower than disclosed as at 31 December 2009 (2008: EUR 26,309 thousand).

2. OPERATING SEGMENTS

Information about operating segments – Consolidated income statement for the year ended 31 December 2009

In thousands of EUR	Banking	Asset Management	Opportunity
Interest and similar income	103,856	385	1,035
– external	97,691	339	664
– intersegment	6,165	46	371
Interest expense and similar charges	(40,577)	(166)	(10,141)
Net interest income (expense)	**63,279**	**219**	**(9,106)**
Fee and commission income	15,761	2,457	36
– external	12,132	2,457	36
– intersegment	3,629	—	—
Fee and commission expense	(21,803)	(28)	(1,597)
Net fee and commission income (expense)	**(6,042)**	**2,429**	**(1,561)**
Dealing profits (losses), net	22,382	—	3,475
Negative goodwill	4,665	—	—
Other operating income	2,733	1,378	88,557
– external	678	1,378	87,461
– intersegment	2,055	—	1,096
Other operating expenses	(30,448)	(1,989)	(50,856)
Personnel expenses	(14,447)	(1,761)	(11,496)
Depreciation and amortisation	(2,434)	(233)	(5,706)
Goodwill impairment	(6,284)	—	(10,000)
Other operating non-cash expenses	(15,794)	(2,151)	(6,238)
Income (expense) from associates and joint ventures	—	—	31
Income tax expense	(4,390)	(104)	(60)
Segment result – total	**13,220**	**(2,212)**	**(2,960)**
– discontinued operations	**—**	**—**	**11,672**
– continuing operations	**13,220**	**(2,212)**	**(14,632)**

Inter-segment prices are determined on the basis of market rates for similar services and financing.

Principal Investments							
Private	Public	Intra-segment eliminations	Total Principle Investments	Unallocated	Total segments	Inter-segment eliminations	J&T Finance Group
53,883	842	(10,854)	44,906	9,159	158,306	—	—
42,063	67		42,794	1,894	142,718	—	142,718
11,820	775	(10,854)	2,112	7,265	15,588	(15,588)	—
(69,434)	(14,809)	10,854	(83,530)	(8,677)	(132,950)	15,588	(117,362)
(15,551)	**(13,967)**	**—**	**(38,624)**	**482**	**25,356**	**—**	**25,356**
21,610	34	(257)	21,423	401	40,042	—	—
20,036	34	—	20,106	396	35,091	—	35,091
1,574	—	(257)	1,317	5	4,951	(4,951)	—
(25,339)	(6,113)	257	(32,792)	(1,317)	(55,940)	4,951	(50,989)
(3,729)	**(6,079)**	**—**	**(11,369)**	**(916)**	**(15,898)**	**—**	**(15,898)**
(28,310)	60,653	—	35,818	(3,805)	54,395	171	54,566
—	1	—	1	311	4,977	—	4,977
866,367	—	—	954,924	4,825	963,860	—	—
866,367	—	—	953,828	4,025	959,909	—	959,909
—	—	—	1,096	800	3,951	(3,951)	—
(641,869)	(7,313)	—	(700,038)	(9,335)	(741,810)	3,780	(738,030)
(16,669)	—	—	(28,165)	(3,293)	(47,666)	—	(47,666)
(14,390)	—	—	(20,096)	(221)	(22,984)	—	(22,984)
—	—	—	(10,000)	—	(16,284)	—	(16,284)
(78,020)	—	11,059	(73,199)	(3)	(91,147)	—	(91,147)
16,038	—	—	16,069	—	16,069	—	16,069
(6,144)	(137)	—	(6,341)	(401)	(11,236)	—	(11,236)
77,723	**33,158**	**11,059**	**118,980**	**(12,356)**	**117,632**	**—**	**117,632**
179,566	**—**	**—**	**191,238**	**—**	**191,238**	**—**	**191,238**
(101,843)	**33,158**	**11,059**	**(72,258)**	**(12,356)**	**(73,606)**	**—**	**(73,606)**

Information about operating segments – Consolidated balance sheet as at 31 December 2009

In thousands of EUR	Banking	Asset Management	Opportunity
Fixed assets	15,025	23,737	125,336
– property, plant and equipment	11,641	217	8,107
– goodwill	—	—	23,347
– other intangible assets	3,384	23,520	93,882
Investments in joint ventures and associates	—	—	1
Financial assets	138,402	1	74
– financial assets at fair value through profit or loss	127,306	1	68
– securities available for sale	5,622	—	6
– financial instruments held to maturity	5,474	—	—
Trade receivables and other assets	35,006	5,268	42,553
Loans and advances to customers	1,008,902	4,801	12,590
Receivables from the sale of discontinued operations	—	—	350
Cash and cash equivalents	455,115	62,368	764
Deferred tax assets	15	—	3,063
Disposal group held for sale	1,708	—	1,025,817
Total segment assets	**1,654,173**	**96,175**	**1,210,548**
Deposits and loans from banks	58,963	—	65,685
Deposits and loans from customers	1,329,930	57,831	21,342
Subordinated debt	24,514	—	50,771
Financial liabilities at fair value through profit or loss	8,264	—	—
Trade payables and other liabilities	33,712	4,150	30,047
Deferred tax liabilities	1,025	—	18,256
Current income tax	432	8	59
Liabilities associated with disposal group held for sale	—	—	1,017,420
Total segment liabilities	**1,456,840**	**61,989**	**1,203,580**

Inter-segment prices are determined on the basis of market rates for similar services and financing.

Principal Investments							
Private	Public	Intra-segment eliminations	Total Principle Investments	Unallocated	Total segments	Inter-segment eliminations	J&T Finance Group
21	150	—	125,507	698	164,967	—	164,967
—	—	—	8,107	233	20,198	—	20,198
21	150	—	23,518	375	23,893	—	23,893
—	—	—	93,882	90	120,876	—	120,876
—	—	—	1	—	1	—	1
1,754	210,592	—	212,420	11,798	362,621	(5,170)	357,451
1,270	210,697	—	212,035	460	339,802	(727)	339,075
484	(105)	—	385	11,338	17,345	—	17,345
—	—	—	—	—	5,474	(4,443)	1,031
182,928	56,011	(1,359)	280,133	5,475	325,882	(19,754)	306,128
1,136,435	14,009	(194,356)	968,678	118,371	2,100,752	(252,992)	1,847,760
248,669	—	—	249,019	1,313	250,332	—	250,332
28,670	2,062	—	31,496	1,137	550,116	(32,660)	517,456
—	—	—	3,063	58	3,136	—	3,136
—	—	—	1,025,817	—	1,027,525	—	1,027,525
1,598,477	**282,824**	**(195,715)**	**2,896,134**	**138,850**	**4,785,332**	**(310,576)**	**4,474,756**
8,960	104,375	—	179,020	12,809	250,792	(66,077)	184,715
1,030,276	68,516	(73,391)	1,046,743	71,269	2,505,773	(224,005)	2,281,768
—	83,443	(115,191)	19,023	50,013	93,550	—	93,550
1,422	164	—	1,586	—	9,850	(727)	9,123
131,850	1,827	(1,359)	162,365	32,713	232,940	(19,767)	213,173
—	—	—	18,256	—	19,281	—	19,281
183	51	—	293	326	1,059	—	1,059
—	—	(29,825)	987,595	—	987,595	—	987,595
1,172,691	258,376	(219,766)	2,414,881	167,130	4,100,840	(310,576)	3,790,264

Information about geographical areas for the year ended 31 December 2009

In thousands of EUR	Slovakia	Czech Republic
FIXED ASSETS		
– property, plant and equipment	5,851	13,661
– goodwill	23,255	213
– other intangible assets	94,118	2,261
Total fixed assets	**123,224**	**16,135**

In thousands of EUR	Slovakia	Czech Republic
Interest and similar income	27,516	28,711
Fee and commission income	1,139	2,683
Other operating income	167,816	736,472
Total	**196,471**	**767,866**
Less discontinued operations	125,569	730,913
Total from continuing operations	**70,902**	**36,953**

The Group has no revenues from transactions with a single external customer amounting to 10% or more of the Group's revenues in 2009.

Russian Federation	Other	Total segments	Inter-segment eliminations	J&T Finance Group
400	286	20,198	—	20,198
162	263	23,893	—	23,893
66	24,431	120,876	—	120,876
628	**24,980**	**164,967**	**—**	**164,967**

Russian Federation	Cyprus	Liechtenstein	Other	J&T Finance Group
4,570	37,513	32,464	11,944	142,718
276	5,292	20,676	5,025	35,091
225	1,962	212	53,222	959,909
5,071	**44,767**	**53,352**	**70,191**	**1,137,718**
—	—	21	44,691	901,194
5,071	**44,767**	**53,331**	**25,500**	**236,524**

Information about operating segments – Consolidated income statement for the year ended 31 December 2008

In thousands of EUR	Banking	Asset Management	Opportunity
Interest and similar income	105,962	604	411
– external	70,242	545	22
– intersegment	35,720	59	389
Interest expense and similar charges	(59,694)	(158)	(9,405)
Net interest income (expense)	**46,268**	**446**	**(8,994)**
Fee and commission income	26,167	2,292	1,607
– external	8,046	2,292	1,607
– intersegment	18,121	—	—
Fee and commission expense	(14,679)	(9)	(1,507)
Net fee and commission income (expense)	**11,488**	**2,283**	**100**
Dealing profits (losses), net	(51,073)	(29)	397
Negative goodwill	15	522	572
Other operating income	44,271	1,350	40,817
– external	43,075	1,350	40,817
– intersegment	1,196	—	—
Other operating expenses	(15,305)	(1,817)	(34,598)
Personnel expenses	(15,216)	(1,213)	(9,727)
Depreciation and amortisation	(2,298)	(181)	(5,878)
Goodwill impairment	—	—	—
Other operating non-cash expenses	(7,373)	(8,744)	(336)
Income (expense) from associates and joint ventures	—	—	35
Income tax expense	(2,490)	(220)	1,019
Segment result – total	**8,287**	**(7,603)**	**(16,593)**
– discontinued operations	**332**	**—**	**—**
– continuing operations	**7,955**	**(7,603)**	**(16,593)**

Inter-segment prices are determined on the basis of market rates for similar services and financing.

Principal Investments							
Private	Public	Intra-segment eliminations	Total Principle Investments	Unallocated	Total segments	Inter-segment eliminations	J&T Finance Group
37,785	1,339	(8,748)	30,787	13,588	150,941	—	—
27,555	362	—	27,939	194	98,920	—	98,920
10,230	977	(8,748)	2,848	13,394	52,021	(52,021)	—
(101,852)	(20,174)	8,748	(122,683)	(12,327)	(194,862)	52,021	(142,841)
(64,067)	**(18,835)**	**—**	**(91,896)**	**1,261**	**(43,921)**	**—**	**(43,921)**
23,342	2,557	(2)	27,504	2,092	58,055	—	—
22,080	2,557	—	26,244	1,854	38,436	—	38,436
1,262	—	(2)	1,260	238	19,619	(19,619)	—
(26,889)	(17,327)	2	(45,721)	(6,386)	(66,795)	19,619	(47,176)
(3,547)	**(14,770)**	**—**	**(18,217)**	**(4,294)**	**(8,740)**	**—**	**(8,740)**
12,488	(78,459)	—	(65,574)	20,694	(95,982)	175	(95,807)
7,754	—	—	8,326	—	8,863	—	8,863
1,475,327	9,524	(100)	1,525,568	9,258	1,580,447	—	—
1,474,144	9,524	—	1,524,485	9,258	1,578,168	—	1,578,168
1,183	—	(100)	1,083	—	2,279	(2,279)	—
(914,725)	(1,051)	675	(949,699)	(6,866)	(973,687)	4,204	(969,483)
(152,731)	—	—	(162,458)	2,584	(176,303)	—	(176,303)
(52,876)	—	—	(58,754)	(296)	(61,529)	—	(61,529)
—	—	—	—	—	—	—	—
(119,354)	—	9,816	(109,874)	(39)	(126,030)	—	(126,030)
10,150	—	—	10,185	—	10,185	—	10,185
(13,180)	(1,489)	—	(13,650)	34	(16,326)	—	(16,326)
185,239	**(105,080)**	**10,391**	**73,957**	**22,336**	**96,977**	**2,100**	**99,077**
196,348	**—**	**—**	**196,348**	**(358)**	**196,322**	**22,152**	**218,474**
(11,109)	**(105,080)**	**10,391**	**(122,391)**	**22,694**	**(99,345)**	**(20,052)**	**(119,397)**

Information about operating segments – Consolidated balance sheet as at 31 December 2008

In thousands of EUR	Banking	Asset Management	Opportunity
Fixed assets	24,003	26,625	140,123
– property, plant and equipment	12,238	299	10,099
– goodwill	6,285	19	33,300
– other intangible assets	5,480	26,307	96,724
Investments in joint ventures and associates	—	—	66
Financial assets	48,063	138	6
– financial assets at fair value through profit or loss	42,628	1	—
– securities available for sale	90	137	6
– financial instruments held to maturity	5,345	—	—
Trade receivables and other assets	20,637	1,191	44,046
Loans and advances to customers	1,173,051	3,143	9,659
Receivables from the sale of discontinued operations	755	—	315
Cash and cash equivalents	319,472	25,519	1,731
Deferred tax assets	327	—	562
Disposal group held for sale	—	—	695
Total segment assets	**1,586,308**	**56,616**	**197,203**
Deposits and loans from banks	74,028	—	88,712
Deposits and loans from customers	1,251,622	21,651	14,783
Subordinated debt	24,749	—	46,447
Financial liabilities at fair value through profit or loss	18,734	—	541
Trade payables and other liabilities	24,211	1,638	19,844
Deferred tax liabilities	806	1	18,807
Current income tax	1,413	—	72
Liabilities associated with disposal group held for sale	—	—	—
Total segment liabilities	**1,395,563**	**23,290**	**189,206**

Inter-segment prices are determined on the basis of market rates for similar services and financing.

Principal Investments							
Private	Public	Intra-segment eliminations	Total Principle Investments	Unallocated	Total segments	Inter-segment eliminations	J&T Finance Group
11	40	—	140,174	365	191,167	—	191,167
—	—	—	10,099	254	22,890	—	22,890
11	40	—	33,351	5	39,660	—	39,660
—	—	—	96,724	106	128,617	—	128,617
—	—	—	66	—	66	—	66
41,730	209,296	(952)	250,080	31,412	329,693	(46,593)	283,100
4,066	209,296	—	213,362	1,447	257,438	(4,955)	252,483
37,664	—	(952)	36,718	29,965	66,910	(37,318)	29,592
—	—	—	—	—	5,345	(4,320)	1,025
74,779	68,426	(86)	187,165	2,822	211,815	(21,023)	190,792
618,674	46,123	(192,122)	482,334	107,905	1,766,433	(243,453)	1,522,980
182,979	—		183,294	9,292	193,341		193,341
39,884	735	—	42,350	7,980	395,321	(45,531)	349,790
—	—	—	562	—	889	—	889
727,841	—	—	728,536	—	728,536	(3,252)	725,284
1,685,898	**324,620**	**(193,160)**	**2,014,561**	**159,776**	**3,817,261**	**(359,852)**	**3,457,409**
8,687	135,837	—	233,236	41,752	349,016	(88,902)	260,114
762,037	164,604	(128,584)	812,840	63,418	2,149,531	(246,411)	1,903,120
—	48,400	(76,612)	18,235	50,019	93,003	—	93,003
4,372	271	—	5,184	—	23,918	(4,934)	18,984
105,635	13,075	(150)	138,404	15,563	179,816	(20,718)	159,098
—	—	—	18,807	—	19,614	—	19,614
29	52	—	153	—	1,566	—	1,566
450,262	—	—	450,262	—	450,262	(987)	449,275
1,331,022	**362,239**	**(205,346)**	**1,677,121**	**170,752**	**3,266,726**	**(361,952)**	**2,904,774**

Information about geographical areas for the year ended 31 December 2008

In thousands of EUR	Slovakia	Czech Republic
FIXED ASSETS		
– property, plant and equipment	7,042	14,782
– goodwill	33,298	5
– other intangible assets	97,050	2,870
Total fixed assets	**137,390**	**17,657**

In thousands of EUR	Slovakia	Czech Republic
Interest and similar income	18,512	31,547
Fee and commission income	1,864	2,436
Other operating income	274,045	681,481
Total	**294,421**	**715,464**
Less discontinued operations	203,249	634,573
Total from continuing operations	**91,172**	**80,891**

The Group had no revenues from transactions with a single external customer amounting to 10% or more of the Group's revenues in 2008.

Russian Federation	Other	Total segments	Inter-segment eliminations	J&T Finance Group
604	462	22,890	—	22,890
5,473	1,468	40,244	—	40,244
96	28,017	128,033	—	128,033
6,173	**29,947**	**191,167**	**—**	**191,167**

Russian Federation	Cyprus	Liechtenstein	Other	J&T Finance Group
8,977	21,442	9,031	9,411	98,920
513	11,928	18,466	3,229	38,436
30,060	92,728	134,707	365,147	1,578,168
39,550	**126,098**	**162,204**	**377,787**	**1,715,524**
29,822	21,196	103,914	308,905	1,301,659
9,728	**104,902**	**58,290**	**68,882**	**413,865**

3. ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, SPECIAL PURPOSE ENTITIES, JOINT VENTURES AND ASSOCIATES

Acquisitions

In thousands of EUR	Date of acquisition	Cost	Cash outflow	Group's interest after acquisition %
NEW SUBSIDIARIES AND FULLY CONSOLIDATED SPEs				
EGNARO INVESTMENTS LIMITED	19.2.2009	—	—	95
HORTEN LIMITED	2.4.2009	74	74	100
Ingramm International, B.V.	21.7.2009	1	1	100
J&T Management, a.s.[1]	22.7.2009	1	—	100
KHASOMIA LIMITED	9.1.2009	1	1	100
KOTRAB ENTERPRISES LIMITED	2.10.2009	1	1	100
RIGOBERTO INVESTMENTS LIMITED	9.1.2009	1	1	100
International Power Opatovice, a.s.[2]	13.11.2009	784,585	689,938	100
Total		**784,664**	**690,016**	

[1] Acquired with subsidiaries J&T GLOBAL SERVICES LIMITED, J&T Finance, LLC and JTG Services Anstalt
[2] Acquired with subsidiaries Reatex a.s., EOP & HOKA s.r.o. and VAHO s.r.o. and associate Pražská teplárenská, a.s.

	Date of establishment	Group's interest after establishment %
ESTABLISHMENT OF SUBSIDIARIES AND SPEs		
EAST BOHEMIA ENERGY HOLDING LIMITED	5.6.2009	100
Energetický a průmyslový holding, a.s.	10.8.2009	100
SEDILAS ENTERPRISES LIMITED	1.7.2009	100

Effect of acquisitions

The acquisitions of new subsidiaries and special purpose entities, excluding International Power Opatovice, a.s. (see below), had the following effect on the Group's assets and liabilities:

In thousands of EUR	2009 Total
Property, plant and equipment	74
Intangible assets	67
Deferred tax assets	146
Trade receivables and other assets	2,621
Loans and advances to customers	3,749
Cash and cash equivalents	398
Deferred tax liabilities	(22)
Deposits and loans from banks	(298)
Deposits and loans from customers	(1,215)
Trade payables and other liabilities	(933)
Net identifiable assets and liabilities	4,587
Goodwill on acquisition of new subsidiaries	469
Negative goodwill on acquisition of new subsidiaries	(4,977)
Cost of acquisition	79
Consideration paid, satisfied in cash	(78)
Cash acquired	398
Net cash inflow	**320**
Profit since acquisition date	233,927
Profit of the acquired entities for all of 2009	227,189
Revenues of the acquired entities for all of 2009	433,790

The majority of profit since acquisition date relates to KHASOMIA LIMITED, the company which sold energy companies being presented as discontinued operations as at 31 December 2008 (refer to Note 4) in amount of EUR 152,125 thousand.

In November 2009, the Group acquired 100% in International Power Opatovice, a.s., a company with its seat in the Czech Republic, whose activities are electricity and heat energy generation, distribution and sale. The company was acquired with the intention to be sold in the first half of 2010 and therefore presented as part of the Disposal group held for sale.

As at the acquisition date the total assets of the company amounted to EUR 1,168,009 thousand (out of which an investment in associate Pražská teplárenská, a.s. was EUR 469,943 thousand) and its liabilities to EUR 383,515 thousand. The net cash outflow relating to the acquisition of International Power Opatovice, a.s. was EUR 674,885 thousand.

International Power Opatovice, a.s. generated profit since acquisition by the Group of EUR 15,695 thousand.

Disposals of subsidiaries, joint ventures and associates

In thousands of EUR	Date of sale	Sales price	Cash inflow	Gain/(loss) on disposal
DISCONTINUED OPERATIONS				
Energetický a průmyslový holding, a.s.	8.10.2009	351,886	316,130	153,470
BAULIGA a.s.	8.10.2009	—	—	—
Czech Energy Holding, a.s.	8.10.2009	—	—	—
Českomoravský uzenářský holding, a.s.	8.10.2009	—	—	—
Honor Invest, a.s.	8.10.2009	—	—	—
KMOTR - Masna Kroměříž, a.s.	8.10.2009	—	—	—
Krahulík-MASOZÁVOD Krahulčí, a.s.	8.10.2009	—	—	—
Masna Holding Limited	8.10.2009	—	—	—
Pražská energetika, a.s.	8.10.2009	—	—	—
První energetická a.s.	8.10.2009	—	—	—
PRVNÍ MOSTECKÁ a.s.	8.10.2009	—	—	—
SEDILAS ENTERPRISES LIMITED	8.10.2009	—	—	—
SOR Libchavy spol. s r.o.	8.10.2009	—	—	—
United Energy, a.s.	8.10.2009	—	—	—
ZST, a.s.	30.4.2009	2,300	2,300	(1,345)
Total		354,186	318,430	152,125
CONTINUING OPERATIONS – SUBSIDIARIES				
BLUESTORE, s.r.o.	1.12.2009	7	—	35
Total		354,193	318,430	152,160
CONTINUING OPERATIONS – ASSOCIATES				
VULKAN Intim Brands a.s. (SPE)	30.4.2009	10	10	(87)
Total		354,203	318,440	152,073

Effect of disposals

The disposals of subsidiaries and special purpose entities had the following effect on the Group's assets and liabilities:

In thousands of EUR	Energetický a průmyslový holding, a.s. and Subsidiary Companies	Other	2009 Total
Financial assets at fair value through profit or loss, available for sale and held to maturity	—	8	8
Disposal group held for sale	965,380	3,808	969,188
Deposits and loans from customers	—	(36)	(36)
Liabilities associated with disposal group held for sale	(766,964)	(163)	(767,127)
Net assets and liabilities	198,416	3,617	202,033
Sales price	351,886	2,307	354,193
Gain/(loss) on disposal	**153,470**	**(1,310)**	**152,160**
Consideration received, satisfied in cash	316,130	2,300	318,430
Cash disposed of	(52,718)	(307)	(53,025)
Net cash inflows/(outflows)	**263,412**	**1,933**	**265,405**

Energetický a průmyslový holding, a.s. is the parent company of the industry and energy companies disposed of in 2009. The entities included in this group are identified in the previous table.

4. DISCONTINUED OPERATIONS

In thousands of EUR	2009	2008
RESULTS OF DISCONTINUED OPERATIONS		
Interest and similar income	344	2,329
Interest expense and similar charges	(13,930)	(34,135)
Net interest expense	(13,586)	(31,806)
Fee and commission income	36	776
Fee and commission expense	(2,054)	(3,469)
Dealing profits (losses), net	(21,053)	18,166
Negative goodwill	—	6,773
Other operating income	748,689	1,150,862
Personnel expenses	(18,688)	(152,787)
Depreciation and amortisation	(14,390)	(52,941)
Impairment of property, plant and equipment and intangible assets	—	(1,732)
Other operating expenses	(646,861)	(911,051)
Net income from associates and joint ventures	16,038	60,492
Profit before tax	**48,131**	**83,283**
Gain on sale of discontinued operations	152,125	147,692
Income tax expense	(9,018)	(12,501)
Profit for the period from discontinued operations	**191,238**	**218,474**
CASH FLOWS FROM (USED IN) DISCONTINUED OPERATIONS		
Net cash flows from (used in) operating activities	642,836	64,753
Net cash flows from (used in) investing activities	(676,254)	(223,555)
Net cash flows from (used in) financing activities	(234)	(4,026)
Net cash flows from (used in) discontinued operations	**(33,562)**	**(162,828)**

5. NET INTEREST INCOME (EXPENSE)

In thousands of EUR	2009	2008
INTEREST AND SIMILAR INCOME		
Interest and similar income arise from:		
Loans and advances to banks and customers	132,989	80,822
Repo transactions	2,495	7,166
Bonds and other fixed income securities	2,512	970
Bills of exchange	644	511
Receivables from central banks	2,738	6,510
Financial assets held for trading	1,050	1,171
Other	290	1,770
Total	**142,718**	**98,920**
Less discontinued operations	(344)	(2,329)
Total for continuing operations	**142,374**	**96,591**
INTEREST EXPENSE AND SIMILAR CHARGES		
Interest expense and similar charges arise from:		
Deposits and loans from banks and customers	(101,027)	(117,093)
Repo transaction	(4,155)	(10,162)
Bills of exchange	(10,553)	(3,797)
Other	(1,627)	(11,789)
Total	**(117,362)**	**(142,841)**
Less discontinued operations	13,930	34,135
Total for continuing operations	**(103,432)**	**(108,706)**
Net interest income (expense)	**25,356**	**(43,921)**
Less net interest expense of discontinued operations	13,586	31,806
Net interest income (expense) of continuing operations	**38,942**	**(12,115)**

The interest income from impaired loans in 2009 was EUR 13,272 thousand (2008: EUR 13,668 thousand). The receivable from the interest income of the impaired loans has also been impaired.

6. FEE AND COMMISSION EXPENSE

In thousands of EUR	2009	2008
Intermediation fees	(38,290)	(21,220)
Other fees and commission expenses	(12,699)	(25,956)
Total	**(50,989)**	**(47,176)**
Less discontinued operations	2,054	3,469
Total for continuing operations	**(48,935)**	**(43,707)**

Intermediation fees represent expenses relating to new and on-going projects of the Group, and are allocated across the different segments in Note 2 – Operating segments.

7. DEALING PROFITS (LOSSES), NET

In thousands of EUR	2009	2008
Realised and unrealised gains (losses) on financial instruments at fair value through profit or loss, net	49,332	(110,674)
Realised and unrealised gains from receivables held for trading	4,594	4,623
Dividend income	640	10,244
Total	**54,566**	**(95,807)**
Less discontinued operations	21,053	(18,166)
Total for continuing operations	**75,619**	**(113,973)**

The majority of gains on financial instruments in 2009 arises from the Group's investments in Central European Media Enterprises Ltd, amounting to EUR 20,807 thousand (in 2008 no investment), in ZENTIVA N.V. amounting to EUR 5,089 thousand (2008: losses of EUR 20,590 thousand) and in Erste Bank der oesterrechnischen Sparkassen AG for EUR 1,916 thousand (2008: losses of EUR 1,575 thousand). There were also losses from financial instruments in Unipetrol in amount of EUR 3,752 thousand (2008: losses of EUR 57,091 thousand).

8. GOODWILL IMPAIRMENT AND NEGATIVE GOODWILL

In thousands of EUR	2009	2008
NEGATIVE GOODWILL		
Ingramm International N.V.	4,665	—
JTG Services Anstalt	239	—
Plzeňská energetika a.s.	—	5,933
SOR Libchavy spol. s r.o.	—	760
VULKAN akciová společnost	—	572
Bayshore Merchant Services Inc.	—	521
Other	73	1,077
Total	**4,977**	**8,863**
Less discontinued operations	—	(6,773)
Total for continuing operations	**4,977**	**2,090**
GOODWILL IMPAIRMENT		
J&T Media Group	10,000	—
J&T BANK ZAO	5,472	—
J&T Bank (Switzerland) Ltd.	812	—
Total	**16,284**	**—**
Less discontinued operations	—	—
Total for continuing operations	**16,284**	**—**

9. OTHER OPERATING INCOME

In thousands of EUR	2009	2008
Revenue from manufacturing, distribution of electricity and construction contract sales	639,731	815,122
Profit on disposal of subsidiaries, special purpose entities, joint ventures and associates and on disposal of minority share in subsidiaries and special purpose entities	152,073	211,709
Revenue from sales of heat and energy	80,114	115,190
Income from advertising	42,983	40,856
Emission rights	26,170	44,262
Consulting fees	6,637	9,897
Other rental income	1,126	6,266
Gain on disposal of property, plant and equipment, investment property and intangible assets, net	271	—
Revenue from services	262	20,757
Rental income from investment property	76	5,123
Other income from investment property	30	1,181
Movement in provisions, net	—	79,464
Foreign exchange gains, net	—	79,220
Revenue from laboratories and hospitals	—	42,292
Revenue from accommodation services	—	35,236
Airplane transportation	—	21,465
Revenue from health insurance company	—	21,183
Income from sports club	—	7,702
Change in fair value of investment property, net	—	4,363
Waste management	—	1,188
Research and development services	—	588
Other income	10,436	15,104
Total	**959,909**	**1,578,168**
Less discontinued operations	(900,814)	(1,298,554)
Total for continuing operations	**59,095**	**279,614**

An analysis of Other operating income by segment is provided in Note 2 – Operating segments.

The income from discontinued operations of EUR 900,814 thousand includes EUR 152,125 thousand of gain on the sale of discontinued operations (2008: EUR 147,692 thousand) (see Note 4).

Emission rights are considered to be unamortised intangible assets. In 2009 they were distributed among the companies concerned by the governments of the European Union and were valued at fair values using prices publicly established in the Leipzig "European Energy Exchange". Part of the income from emission rights in 2009, for an amount corresponding to the expenses presented in Note 11 - Other operating expenses, reflects the utilisation of government grants during the current accounting period. The excess of income from emission rights over the amount of consumed emission rights in 2009 presented in Note 11 - Other operating expenses represents a gain from selling granted emission rights on the market.

10. PERSONNEL EXPENSES

In thousands of EUR	2009	2008
Wages and salaries	37,055	129,941
Compulsory social security contributions	9,472	41,200
Other social expenses	1,139	5,162
Total	**47,666**	**176,303**
Less discontinued operations	(18,688)	(152,787)
Total for continuing operations	**28,978**	**23,516**

The average number of employees during 2009 was 2,007 (2008: 9,821), out of which executives represent 122 (2008: 357).

11. OTHER OPERATING EXPENSES

In thousands of EUR	2009	2008
Energy	513,777	392,872
Materials	93,344	283,896
Foreign exchange losses, net	37,779	—
Television program expenses	21,766	11,062
Consumption of emission rights	11,697	36,654
Change in impairment of receivables and inventories	10,317	12,714
Consulting expenses	7,255	12,620
Advertising expenses	5,967	10,714
Repairs and maintenance expenses	5,857	14,061
News production expenses	5,334	3,313
Transport and accommodation, travel expenses	5,037	11,516
Receivables written-off, net	4,998	1,744
Rent expenses	4,582	18,338
Outsourcing, legal and other administration fees	2,271	23,680
Transmission capacity services	1,056	4,267
Sponsoring and gifts	741	5,592
Contractual penalties	713	5,377
Communication expenses	667	2,532
Property and other taxes	582	4,209
Change in fair value of investment property, net	186	—
Training, courses and conferences	153	1,784
Other operating costs related to investment property	9	392
Construction delivery and installation services	—	65,583
Expenses incurred by health insurance company	—	17,617
Sports club expenses	—	9,136
Loss on disposal of property, plant and equipment, investment property and intangible assets, net	—	5,265
Other operating expenses	30,959	53,298
Total	**765,047**	**1,008,236**
Less discontinued operations	(646,861)	(911,051)
Total for continuing operations	**118,186**	**97,185**

Consumption of emission rights represents the expense related to the income from emission rights – the amount utilised and disposed during the current accounting period – refer to Note 9 – Other operating income.

An analysis of Other operating expenses by segment is provided in Note 2 – Operating segments.

12. INCOME TAX

In thousands of EUR	2009	2008
CURRENT TAX EXPENSE		
Current year	(14,329)	(27,704)
Adjustments for prior periods	(656)	(114)
Withheld on interest	(37)	(559)
	(15,022)	(28,377)
DEFERRED TAX INCOME (EXPENSE)		
Origination and reversal of temporary differences	3,890	12,083
Change in tax rate	(104)	(32)
Total income tax expense	(11,236)	(16,326)
Less discontinued operations	9,018	12,501
Total income tax expense from continuing operations	(2,218)	(3,825)

The corporate income tax rate in Slovakia for 2008 and 2009 is 19%.

Deferred income taxes are calculated using currently enacted tax rates expected to apply when the asset is realized or the liability settled. In November 2007 the Czech government enacted legislation under which the corporate income tax rate was reduced from 24% to 21%, 20% and 19% for the fiscal years ending in 2008, 2009 and 2010 onwards, respectively.

Income tax recognized in other comprehensive income

	2009			2008		
In thousands of EUR	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Foreign exchange translation differences	15,785	—	15,785	(44,610)	—	(44,610)
Revaluations from step acquisitions	—	—	—	3,694	(702)	2,992
Revaluations on transfers to investment property	—	—	—	2,606	(495)	2,111
Change in fair value of financial assets available for sale	(123)	—	(123)	(75)	—	(75)
Cash flow hedges: Effective portion of changes in fair value	(7,228)	1,373	(5,855)	10,861	(2,085)	8,776
Total	8,434	1,373	9,807	(27,524)	(3,282)	(30,806)

Reconciliation of the effective tax rate

In thousands of EUR	2009 %	2009	2008 %	2008
Profit before tax		128,868		115,403
Income tax at 19% (2008: 19%)	19.0	24,485	19.0	21,927
Effect of tax rates in foreign jurisdictions	39.1	50,372	(30.3)	(34,974)
Non-deductible expenses	33.4	42,999	57.7	66,556
Non-taxable income	(86.7)	(111,771)	(36.7)	(42,334)
Tax incentives	0.2	316	0.0	(3)
Tax withheld on interest	0.0	37	0.5	559
Recognition of previously unrecognised tax losses	(2.9)	(3,712)	(5.8)	(6,660)
Current year losses for which no deferred tax asset was recognised	2.9	3,702	15.8	18,222
Change in temporary differences for which no deferred tax asset was recorded	1.6	2,067	(5.7)	(6,581)
Under (over) provided in prior years tax charges	0.5	656	(0.1)	(114)
Effect of changes in tax rate	1.6	2,085	(0.2)	(272)
Total	8.7	11,236	14.2	16,326
Less discontinued operations		(9,018)		(12,501)
Total tax from continuing operations		2,218		3,825

See also Note 16 – Deferred tax assets and liabilities.

13. PROPERTY, PLANT AND EQUIPMENT

In thousands of EUR	Land and buildings	Fixtures fittings and equipment	Under construction	Total
COST				
Balance at 1 January 2008	351,429	243,172	119,822	714,423
Effects of movements in foreign exchange	(20,150)	(20,069)	(7,088)	(47,307)
Additions	21,846	42,152	81,384	145,382
Acquisitions through business combinations	13,241	23,580	10,990	47,811
Disposals	(303,947)	(126,149)	(171,988)	(602,084)
Transfers	10,977	15,325	(26,302)	—
Transfers to/from investment property	(3,622)	—	(35)	(3,657)
Fair value change on transfer to investment property	1,762	—	—	1,762
Transfer to disposal group held for sale	(59,087)	(157,227)	(6,718)	(223,032)
Balance at 31 December 2008	12,449	20,784	65	33,298
Balance at 1 January 2009	12,449	20,784	65	33,298
Effects of movements in foreign exchange	76	(132)	—	(56)
Additions	46	1,284	15	1,345
Acquisitions through business combinations	—	74	—	74
Disposals	(387)	(458)	—	(845)
Transfers	—	23	(23)	—
Balance at 31 December 2009	12,184	21,575	57	33,816

In thousands of EUR	Land and buildings	Fixtures fittings and equipment	Under construction	Total
DEPRECIATION AND IMPAIRMENT LOSSES				
Balance at 1 January 2008	(30,596)	(22,196)	(996)	(53,788)
Effects of movements in foreign exchange	1,815	5,373	1	7,189
Depreciation charge for the year	(10,962)	(34,962)	—	(45,924)
Disposals	26,550	5,365	959	32,874
Impairment	(3)	20	36	53
Transfers	(4)	4	—	—
Transfers to/from investment property	597	—	—	597
Transfers to disposal group held for sale	10,508	38,083	—	48,591
Balance at 31 December 2008	(2,095)	(8,313)	—	(10,408)
Balance at 1 January 2009	(2,095)	(8,313)	—	(10,408)
Effects of movements in foreign exchange	(14)	42	—	28
Depreciation charge for the year	(300)	(3,723)	—	(4,023)
Disposals	203	395	—	598
Impairment	187	—	—	187
Balance at 31 December 2009	(2,019)	(11,599)	—	(13,618)

In thousands of EUR	Land and buildings	Fixtures fittings and equipment	Under construction	Total
CARRYING AMOUNT				
At 1 January 2008	320,833	220,976	118,826	660,635
At 31 December 2008	10,354	12,471	65	22,890
At 1 January 2009	10,354	12,471	65	22,890
At 31 December 2009	10,165	9,976	57	20,198

Idle assets

At 31 December 2009 the Group had no material idle assets (2008: EUR 612 thousand).

Finance lease liabilities

Finance lease liabilities are payable as follows as at 31 December 2009:

In thousands of EUR	Payments	Interest	Principal
Less than one year	366	58	308
Between one and five years	1,036	165	871
More than five years	—	—	—
Total	1,402	223	1,179

Security

At 31 December 2009 no property, plant and equipment is subject to pledges securing bank loans (2008: EUR 16,858 thousand).

14. INTANGIBLE ASSETS

In thousands of EUR	Goodwill	TV format and brands	Other intangible assets	Total
COST				
Balance at 1 January 2008	117,430	109,652	101,666	328,748
Effect of movements in foreign exchange	(5,154)	(450)	(4,757)	(10,361)
Additions	—	—	68,870	68,870
Acquisitions through business combinations	19,204	—	63,723	82,927
Disposals	(71,842)	(18,816)	(164,114)	(254,772)
Transfers to disposal group held for sale	(9,168)	(1,957)	(7,169)	(18,294)
Balance at 31 December 2008	50,470	88,429	58,219	197,118
Balance at 1 January 2009	50,470	88,429	58,219	197,118
Effect of movements in foreign exchange	(22)	—	(722)	(744)
Additions	114	—	642	756
Acquisitions through business combinations	469	—	67	536
Disposals	—	—	(54)	(54)
Transfers to disposal group held for sale	(43)	—	—	(43)
Balance at 31 December 2009	50,988	88,429	58,152	197,569

In thousands of EUR	Goodwill	TV format and brands	Other intangible assets	Total
AMORTISATION AND IMPAIRMENT LOSSES				
Balance at 1 January 2008	(17,570)	(1,555)	(31,723)	(50,848)
Effect of movements in foreign exchange	220	69	1,397	1,686
Amortisation charge for the year	—	(32)	(15,573)	(15,605)
Disposals	3,813	1,517	32,144	37,474
Impairment	—	—	(8,605)	(8,605)
Transfers to disposal group held for sale	2,727	1	4,329	7,057
Balance at 31 December 2008	(10,810)	—	(18,031)	(28,841)
Balance at 1 January 2009	(10,810)	—	(18,031)	(28,841)
Effect of movements in foreign exchange	(1)	—	227	226
Amortisation charge for the year	—	—	(4,571)	(4,571)
Disposals	—	—	7	7
Impairment	(16,284)	—	(3,337)	(19,621)
Balance at 31 December 2009	(27,095)	—	(25,705)	(52,800)

In thousands of EUR	Goodwill	TV format and brands	Other intangible assets	Total
CARRYING AMOUNT				
At 1 January 2008	99,860	108,097	69,943	277,900
At 31 December 2008	39,660	88,429	40,188	168,277
At 1 January 2009	39,660	88,429	40,188	168,277
At 31 December 2009	23,893	88,429	32,447	144,769

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group has the following investments in special purpose entities consolidated as joint ventures:

In thousands of EUR		Group's interest 2009	Group's interest 2008	Carrying amount 2009	Carrying amount 2008
	Country	%	%		
EXONERATE TRADING LIMITED	Cyprus	47.50	47.50	1	3
VULKAN Intim Brands a.s.	Czech Republic	—	47.45	—	63
Total				1	66

The Group's income (expense) from the above associates and joint ventures is as follows:

In thousands of EUR	2009	2008
Total net income from associates and joint ventures	16,069	10,185
Less income from discontinued operations	(16,038)	(60,492)
Net income (expense) from associates and joint ventures from continuing operations	31	(50,307)

The Group's income from associates and joint ventures from discontinued operations for the year ended 31 December 2009 was EUR 16,039 thousand, which consists of net post-acquisition recognised income for Pražská energetika, a.s. of EUR 15,942 thousand and PRVNÍ MOSTECKÁ a.s. of EUR 96 thousand (2008: a gain of EUR 60,492 thousand, which consisted of negative goodwill in respect of Pražská energetika, a.s. of EUR 27,141 thousand resulting from the acquisition of an additional 7.1% share, net post-acquisition recognised income for this same entity of EUR 24,062 thousand and further net post-acquisition recognised income from other associates and joint ventures, mainly Henbury Development, s.r.o., Popper Capital, s.r.o. and Plzeňská energetika a.s., of EUR 10,203 thousand).

The Group's income from associates and joint ventures from continuing operations for the year ended 31 December 2009 is a profit of EUR 31 thousand, contributed mainly by VULKAN Intim Brands a.s., disposed during the year (2008: loss of EUR 50,307 thousand, which consisted mainly of a loss from 1. garantovaná a.s. of EUR 50,394 thousand).

Summary financial information for 9 months of 2009 for Pražská energetika, a.s., a significant associate disposed in 2009 and disclosed within Disposal group held for sale and discontinued operations as at 31 December 2008, presented at 100%:

In thousands of EUR	Revenue	Profit/ (Loss)	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
31 DECEMBER 2009							
(9 months)							
Pražská energetika, a.s.	568,134	38,741	—	—	—	—	—
31 DECEMBER 2008							
(12 months)							
Pražská energetika, a.s.	794,098	66,587	162,540	1,000,674	128,631	203,109	831,474

16. DEFERRED TAX ASSETS AND LIABILITIES

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

In thousands of EUR	2009	2008
Fair value adjustments	—	21
Tax losses carried forward	11,222	51,117
Total	**11,222**	**51,138**

Tax losses expire over a period of five years for both Slovakia and the Czech Republic (or seven years for losses arisen before 1 January 2004 in the Czech Republic). Some deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because, due to the varying nature of the sources of these assets, it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

The following deferred tax assets and (liabilities) have been recognised:

In thousands of EUR	2009	2008
Temporary difference related to:		
Property, plant and equipment	(860)	(838)
Property, plant and equipment	7	—
Intangible assets	(18,234)	(18,773)
Intangible assets	—	6
Impairment of trade receivables and other assets	55	7
Creation or closing balance of other provisions	—	66
Unpaid interest, net	(1)	(2)
Financial assets at fair value through profit or loss	(59)	—
Loan and borrowings	(121)	—
Embedded derivatives	(1)	—
Tax losses	3,063	497
Other deferred tax assets	11	313
Other deferred tax liabilities	(5)	(1)
Total	(16,145)	(18,725)

A deferred tax asset is recognised for the carryforward of unused tax losses only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. An estimation of the expiry of tax losses is as follows:

	2010	2011	2012	2013	After 2013
Tax losses	5,209	502	309	1,303	19,900

Many parts of Slovak, Czech and Russian tax legislation remain untested and there is uncertainty about the interpretation that the financial authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

17. INVENTORIES

In thousands of EUR	2009	2008
Finished goods and merchandise	365	12,000
Raw materials and consumables	55	56
Impairment provision to inventories	—	(3,134)
Total	**420**	**8,922**

At 31 December 2009 no inventories are subject to pledges (2008: EUR 16,946 thousand including inventories presented in the disposal group held for sale).

At 31 December 2008 the consolidated inventory balance included TV JOJ's restricted program license rights in amount of EUR 11,825 thousand, which were reclassified to prepaid expenses in 2009.

18. TRADE RECEIVABLES AND OTHER ASSETS

In thousands of EUR	2009	2008
Other receivables	138,768	96,177
Advance payments received	57,815	61,095
Trade receivables	82,142	24,281
Prepayments and accrued income	17,685	3,210
Other tax receivables	1,803	2,289
Securities settlement balances	958	961
Purchased receivables	12,238	—
Allowance for bad debts	(5,701)	(6,143)
Total	**305,708**	**181,870**
Current	299,988	155,972
Non-current	5,720	25,898
Total	**305,708**	**181,870**

In thousands of EUR	2009	2008
CONSTRUCTION CONTRACTS		
Contract revenues recognised as revenue in the period	—	304,465
Construction costs incurred and recognised profits less recognised losses to date	—	346,331
Advances received	—	—
Gross amounts due from customers for contract work	—	—

The construction contracts income and costs are part of discontinued operations. At 31 December 2009 trade receivables include no retentions relating to construction contracts as all companies with such contracts are discontinued operations (2008: no retentions relating to construction contracts as all companies with such contracts were discontinued operations).

19. LOANS AND ADVANCES TO CUSTOMERS

In thousands of EUR	2009	2008
Loans and advances to customers	1,955,749	1,621,090
Less allowance for impairment of loans	(107,989)	(98,110)
Total	1,847,760	1,522,980
Current	1,068,882	1,249,614
Non-current	778,878	273,366
Total	1,847,760	1,522,980

Loans and advances to customers include 303 significant loans and advances, which represent 99% of total loans and advances to customers (2008: 302 representing 98%). In 2009 two loans of EUR 102,528 thousand each were granted to J&T Partners LP I and J&T Partners LP II and EUR 100,493 thousand was granted to J&T REAL ESTATE LIMITED. In 2009 the Group had loans to four other customers with a combined balance of EUR 235,269 thousand (2008: EUR 56,028 thousand was granted to a single third party among these).

Provisions for loans and advances to customers are determined and recorded based on the financial position and expected cash flows of the debtor, taking into account the value of collateral as well as guarantees from third parties.

Standard loans provided to customers as at 31 December 2009 include loans amounting to EUR 622,951 thousand (2008: EUR 687,312 thousand), the repayment of which is dependent upon realisation of the assets acquired by the customers from these provided loans. The assets are pledged in favour of the Group. Management believes that these receivables will be repaid in full.

The amount of non-interest bearing loans as at 31 December 2009 totalled EUR 11,006 thousand (2008: EUR 14,860 thousand). These loans are mostly from the former Podnikateľská banka, the clients of which are now in bankruptcy proceedings. Receivables from these loans are fully provided for.

The weighted average interest rate on loans to customers for 2009 was 6.05 % (2008: 7.31%).

20. ALLOWANCE FOR IMPAIRMENT OF LOANS

In thousands of EUR	2009	2008
Balance at 1 January	98,110	25,626
Write-offs	(54,682)	(9,581)
Increase in the year	64,375	86,285
Differences due to foreign currency translation	186	(4,220)
Balance at 31 December	107,989	98,110

21. REPURCHASE AND RESALE AGREEMENTS

The Group raises funds by selling financial instruments under agreements to repay the funds by repurchasing the instruments at future dates at the same price, plus interest at a predetermined rate. At 31 December 2009 and 2008, total assets sold under repurchase agreements were as follows:

In thousands of EUR	Fair value of underlying asset	Carrying amount of liability	Maturity	Repurchase price
31 DECEMBER 2009				
Loans and advances from customers	24,115	16,755	up to 1 month	17,227
Loans and advances from customers	18,443	10,555	1-6 months	10,621
Loans and advances from customers	2,738	2,641	6-12 months	2,785
Loans and advances from banks	96,294	62,592	up to 1 month	62,585
Loans and advances from banks	848	693	1-6 months	604
Loans and advances from banks	3,060	2,241	6-12 months	2,344
Total	145,498	95,477		96,166
31 DECEMBER 2008				
Loans and advances from customers	43,080	44,290	up to 1 month	44,413
Loans and advances from customers	2,840	3,729	1-6 months	3,794
Loans and advances from customers	3,184	5,041	6-12 months	5,247
Loans and advances from banks	70,934	65,956	up to 1 month	65,999
Loans and advances from banks	16,851	16,978	1-6 months	19,994
Total	136,889	135,994		139,447

The Group also purchases financial instruments under agreements to resell them at future dates ("reverse repurchase agreements"). Reverse repurchases are entered into as a facility to provide funds to customers. At 31 December 2009 and 2008, total assets purchased subject to agreements to resell them were as follows:

In thousands of EUR	Carrying amount of receivable	Fair value of assets held as collateral	Maturity	Repurchase price
31 DECEMBER 2009				
Loans and advances to customers	35,740	60,887	up to 1 month	35,793
Loans and advances to banks	292,259	286,830	up to 1 month	292,304
Total	327,999	347,717		328,097
31 DECEMBER 2008				
Loans and advances to customers	38,627	59,743	up to 1 month	38,715
Loans and advances to banks	26,294	25,916	up to 1 month	26,304
Total	64,921	85,659		65,019

Loans and advances to banks with an original maturity up to three months are disclosed as cash and cash equivalents.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In thousands of EUR	2009	2008
Bonds (Listed)	68,198	29,251
Bonds (Not listed)	2,687	2,889
Shares (Listed)	259,473	198,176
Shares (Not listed)	1	1
Other financial assets held for trading	6,469	10,354
Forward currency contracts	2,234	11,750
Option contract for share purchase	2	—
Option contract for commodity purchase	11	62
Fair value of derivatives	2,247	11,812
Total	339,075	252,483

The majority of financial assets at fair value through profit or loss as at 31 December 2009 comprises shares of Unipetrol, a.s. for EUR 85,383 thousand (2008: EUR 59,151 thousand), shares of Central European Media for EUR 58,316 thousand (in 2008 no investment) and shares of Tatry mountain resorts, a.s. (JASNA) for EUR 50,997 thousand (in 2008 no investment). The value of these shares was determined based on market prices.

The shares of Unipetrol, a.s. and Central European Media in total amount of EUR 76,610 thousand have been pledged as security for bank loans as at 31 December 2009 (2008: EUR 177,452 thousand).

Income from debt and other fixed-income instruments is recognised in interest and similar income.

In 2009 the weighted average interest rate on bonds was 9.83% (2008: 6.58%).

23. SECURITIES AVAILABLE FOR SALE

In thousands of EUR	2009	2008
Securities available for sale	17,345	29,592

Securities available for sale comprise primarily shares for sale as at 31 December 2009 and at 31 December 2008.

24. CASH AND CASH EQUIVALENTS

In thousands of EUR	2009	2008
Cash on hand	3,219	2,939
Current accounts with banks	93,905	94,820
Balances with central banks	28,293	159,070
Government bonds issued accepted by central banks for re-financing	6,673	10,190
Loans and advances to central banks	326,859	26,669
Loans and advances to other banks	58,507	56,102
Total	517,456	349,790

Balances with central banks represent the obligatory minimum reserves maintained by J&T BANKA, a.s., J&T Bank (Switzerland) Ltd. and J&T Bank ZAO under regulations of the relevant regulatory authorities. The obligatory minimum reserve for J&T BANKA, a.s. is calculated as 2% of primary deposits with a maturity of less than two years, for J&T Bank (Switzerland) Ltd. as 2.5% of primary deposits with a maturity less than three months. These obligatory minimum reserves are interest earning. The obligatory minimum reserve for J&T Bank ZAO is calculated as 2.5% of deposits from private persons and legal entities, except for subordinated loans. The obligatory minimum reserve is not interest earning for J&T Bank ZAO.

Term deposits with original maturity up to three months are classified as cash equivalents.

Cash and cash equivalents as at 31 December 2009 includes EUR 53,474 thousand (2008: EUR 22,146 thousand), which represents money held on behalf of clients. A corresponding entry in liabilities to customers was recorded as at 31 December 2009.

The weighted average interest rate on loans and advances to banks was 0.89% in 2009 (2008: 2.43%).

25. DISPOSAL GROUP HELD FOR SALE

The disposal group consists principally of companies which are intended to be sold or contributed in-kind as part of the Group's on-going reorganisation plan in 2010.

The detailed structure of the assets and liabilities of the disposal group as at 31 December 2009 is as follows:

In thousands of EUR	Barton & Lloyd Investment, spol. s.r.o.	EAST BOHEMIA ENERGY HOLDING LIMITED	International Power Opatovice, a.s.	Others	Total
Segment	Industry	Energy	Energy	Banking	
Property, plant and equipment and intangible assets	43	—	485,939	1,708	487,690
Participations with significant influence	—	—	453,292	—	453,292
Deferred tax assets	—	—	2,029	—	2,029
Inventories	—	—	15,707	—	15,707
Trade receivables and other assets	—	281	11,726	—	12,007
Financial instruments held to maturity	—	—	19,933	—	19,933
Financial instruments available for sale	—	—	238	—	238
Loans and advances to clients	—	—	34,112	—	34,112
Positive fair value of derivatives	—	—	1,048	—	1,048
Cash and cash equivalents	—	—	1,469	—	1,469
Total assets	**43**	**281**	**1,025,493**	**1,708**	**1,027,525**
Derivatives with negative fair value	—	—	6,612	—	6,612
Deposits and loans from banks	—	—	166,199	—	166,199
Deposits and loans from customers	—	155,750	—	—	155,750
Deferred tax liability	—	—	152,403	—	152,403
Provisions	—	—	3,700	—	3,700
Trade payables and other liabilities	2	487,035	15,894	—	502,931
Total liabilities	**2**	**642,785**	**344,808**	**—**	**987,595**

EAST BOHEMIA ENERGY HOLDING LIMITED is the company holding a 100% share in International Power Opatovice, a.s. Others comprise Property, plant and equipment held for sale by J&T Bank (Switzerland) Ltd. and J&T Bank ZAO.

The net profit structure of the disposal group for the year ended 31 December 2009 is as follows:

In thousands of EUR	Barton & Lloyd Investment, spol. s.r.o.	EAST BOHEMIA ENERGY HOLDING LIMITED	International Power Opatovice, a.s.	Others	Total
Segment	Industry	Energy	Energy	Banking	
Net interest expense	—	(1,868)	(1,035)	—	(2,903)
Net fee and commission income (expense)	—	(1,012)	10	—	(1,002)
Other operating income	—	—	39,432	—	39,432
Other operating expenses	(95)	(121)	(20,158)	(7)	(20,381)
Profit before tax	(95)	(3,001)	18,249	(7)	15,146
Income tax expense	—	—	(3,072)	—	(3,072)
Net profit (loss) for the period	(95)	(3,001)	15,177	(7)	12,074

26. SHAREHOLDERS' EQUITY

Share capital and share premium

The authorised, issued and fully paid share capital as at 31 December 2009 and 2008 consisted of 19,000 ordinary shares with a par value of EUR 1.66 thousand each.

The shareholders are entitled to receive dividends and to one vote per share at meetings of the Company's shareholders. The majority shareholder of the Group is Techno plus, a.s.

	Number of shares	Ownership %	Voting rights %
31 DECEMBER 2009			
Techno Plus, a.s.	19,000	100.00	100.00
Total	19,000	100.00	100.00

Non-distributable reserves

Non-distributable reserves consist of a legal reserve of EUR 10,011 thousand (2008: EUR 9,795 thousand). In Slovakia creation of a legal reserve fund is required at a minimum of 10% of net profit (annually) and up to a minimum of 20% of the registered share capital (cumulative balance). The legal reserve fund can only be used to cover losses of the Company and it may not be distributed as a dividend. The calculation of the legal reserve is based on local statutory regulations.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company.

Revaluation reserve

The revaluation reserve arises through accounting for business combinations that occur in stages and involve more than one exchange transaction. The reserve reflects that part of the increase in the fair value of the subsidiaries' identifiable net assets after initial acquisition of the previously held interest acquired in previous exchange transactions, which is attributable to that initial investment interest. The revaluation reserve also comprises changes in fair value of financial instruments available for sale.

27. NON-CONTROLLING INTERESTS

In thousands of EUR	2009	2008
EQUITY HOLDING a.s.	15,231	14,468
BAYSHORE MERCHANT SERVICES INC.	3,020	—
EGNARO INVESTMENTS LIMITED	2,002	—
VULKAN akciová společnost	680	—
Other	426	465
Total	21,359	14,933

28. DEPOSITS AND LOANS FROM BANKS

In thousands of EUR	2009	2008
Current	124,257	188,750
Non-current	60,458	71,364
Total	184,715	260,114

The weighted average interest rate on deposits and loans from banks for 2009 was 4.32% (2008: 5.73%).

29. DEPOSITS AND LOANS FROM CUSTOMERS

In thousands of EUR	2009	2008
Current	2,093,612	1,843,113
Non-current	188,156	60,007
Total	2,281,768	1,903,120

The weighted average interest rate on deposits and loans from customers for 2009 was 3.47% (2008: 4.55%).

30. PROVISIONS

In thousands of EUR	Partners' Remuneration	Warranties	Other	Total
Balance at 1 January 2008	88,819	8,867	11,349	109,035
Additions through business combinations	—	53	1,546	1,599
Provisions recorded during the period	—	423	26,370	26,793
Provisions used during the period	—	(444)	(12,811)	(13,255)
Provisions reversed during the period	(82,708)	(1,799)	(2,806)	(87,313)
Transfer to disposal group	—	(526)	(1,582)	(2,108)
Foreign exchange gain/loss	(6,111)	(65)	(518)	(6,694)
Disposal of entities	—	(6,406)	(19,713)	(26,119)
Balance at 31 December 2008	**—**	**103**	**1,835**	**1,938**
Current	—	103	1,835	1,938
Non-current	—	—	—	—

In thousands of EUR	Partners' Remuneration	Warranties	Other	Total
Balance at 1 January 2009	—	103	1,835	1,938
Additions through business combinations	—	—	—	—
Provisions recorded during the period	—	—	57,270	57,270
Provisions used during the period	—	—	(576)	(576)
Provisions reversed during the period	—	(103)	(729)	(832)
Transfer to disposal group	—	—	—	—
Foreign exchange gain/loss	—	—	4	4
Disposed entities	—	—	—	—
Balance at 31 December 2009	**—**	**—**	**57,804**	**57,804**
Current	—	—	57,804	57,804
Non-current	—	—	—	—

Provision for partners' remuneration

The provision for partners' remuneration was created for the first time in 2004 in order to cover various remuneration schemes to partners of the Group based on the performance of the investment projects in which the Group is involved. The provision was reversed in 2008 following the Group's reorganisation, including the changes implemented in the Group's corporate governance, and is no longer applicable.

Other provisions

Other provisions includes provisions for fees related to the sale of discontinued operations of EUR 37,000 thousand, provisions for fees related to dealing profits of EUR 18,000 thousand, litigations of EUR 1,259 thousand and provisions for untaken holiday of EUR 435 thousand.

31. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

In thousands of EUR	2009	2008
FAIR VALUE OF DERIVATIVES		
Forward currency contracts	8,081	17,769
Forward shares contracts	617	30
Cross currency swaps	2	—
Option contracts for share purchases	419	1,182
Derivatives for commodity purchase	4	3
Total	**9,123**	**18,984**

32. TRADE PAYABLES AND OTHER LIABILITIES

In thousands of EUR	2009	2008
Trade payables	70,580	94,526
Advance payments received	32,908	12,038
Securities settlement balances	1,072	2,672
Payables to customers from securities trading	11,806	4,343
Employee benefits	1,618	1,292
Financial leasing liabilities	1,179	1,477
Uninvoiced supplies	7,682	1,593
Liabilities arising from acquisitions of subsidiaries and SPEs	3,578	1,292
Other liabilities	20,290	22,378
Accruals and other deferred income	4,656	15,549
Total	**155,369**	**157,160**
Current	154,172	146,304
Non-current	1,197	10,856
Total	**155,369**	**157,160**

33. SUBORDINATED DEBT

In 2008 and 2009 Subordinated debt includes floating rate subordinated notes issued by J&T BANKA, a.s. (initial amount of EUR 25 million) with maturity in 2017 and by J&T FINANCE GROUP, a.s. (initial amount of EUR 50 million) with maturity in 2022 and fixed rate subordinated notes issued by Slovenská produkčná, a.s. (initial amount of EUR 17 million) with maturity in 2014.

In thousands of EUR	2009	2008
Subordinated debt at amortised cost	93,550	93,003

Floating rate subordinated notes are based on 3 month EURIBOR. The weighted average interest rate on the subordinated notes for 2009 was 5.2% (2008: 8.4%).

34. FAIR VALUE INFORMATION

The following table is a comparison of the carrying amounts and fair values of the Group's financial assets and liabilities that are not carried at fair value.

In thousands of EUR	Carrying amount 2009	Carrying amount 2008	Fair value 2009	Fair value 2008
FINANCIAL ASSETS				
Cash and cash equivalents	518,925	386,639	518,805	386,560
Loans and advances to customers	1,881,872	1,522,980	1,913,652	1,492,761
Receivables from sale of discontinued operations	250,332	193,341	250,723	201,157
Trade receivables and other assets	317,715	271,758	317,715	270,808
Financial instruments held to maturity	20,964	1,024	20,964	1,024
FINANCIAL LIABILITIES				
Deposits and loans from banks	350,914	569,454	355,377	576,634
Deposits and loans from customers	2,437,518	1,941,446	2,452,654	1,946,216
Trade payables and other liabilities	658,300	222,574	658,300	220,783

Estimation of fair values
The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Loans and advances: Fair value is calculated based on discounted expected future principal and interest cash flows. Expected future cash flows are estimated considering credit risk and any indication of impairment. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

Bank and customer deposits: For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the balance sheet date. The estimated fair value of fixed-maturity deposits is based on discounted cash flows using rates currently offered for deposits of similar remaining maturities.

Trade receivables/ payables and other assets/ liabilities: For receivables/ payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. Other receivables/ payables are discounted to determine the fair value.

Financial instruments held to maturity: In view of the amounts of held to maturity assets, the carrying value is deemed to reflect the fair value.

35. FINANCIAL COMMITMENTS AND CONTINGENCIES

In thousands of EUR	2009	2008
Accepted and endorsed bills of exchange	8,423	28,036
Guarantees given	1,044,402	993,909
Contracted capital commitments	—	—
Loan commitments	217,760	160,686
Total	1,270,585	1,182,631

Guarantees mostly represent the carrying value of pledged assets that are used as collateral for loan financing in a total amount of EUR 791,896 thousand including guarantees provided by companies included in the disposal group held for sale (2008: EUR 529,325 thousand). Loan commitments relate to loan facilities granted by the banks of the Group.

In 2004 the Municipal Court in Prague ordered a hearing in respect of a payment order of EUR 17.4 million payable to DEVIN BANKA, a.s. No specific provision was recorded in this respect. On 7 March 2008 the Court decision was rendered and the claim was dismissed. DEVIN BANKA, a.s. appealed to the Supreme Court in Prague. On 19 March 2008 the Supreme Court dismissed the action against J&T BANKA, a.s. with a final ruling in this process.

On 19 February 2009, the High Court in Prague issued a final decision dismissing the petition of the liquidator of DEVÍN BANKA, a.s. against J&T Banka, a.s. The judgement from 19 February 2009 is final, however the prosecutor delivered an appeal back to the Highest Court in Brno on 29 May 2009.

36. OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In thousands of EUR	2009	2008
Less than one year	400	760
Between one and five years	205	1,707
More than five years	408	74
Total	1,013	2,541

The Group leases a number of cars and administration space under operating leases. The administration space leases typically run for an initial period of five to fifteen years, with an option to renew after that date. During the year ended 31 December 2009, EUR 3,540 thousand was recognised as an expense in the income statement in respect of operating leases for continuing operations (2008: EUR 2,555 thousand as restated for continuing operations only).

Leases as lessor

The Group leases out its property under operating leases. Non-cancellable operating lease rentals are receivable as follows:

In thousands of EUR	2009	2008
Less than one year	393	421
Between one and five years	1,334	1,383
More than five years	773	1,069
Undefined maturity	38	22
Total	2,538	2,895

During the year ended 31 December 2009, EUR 690 thousand was recognised as rental income from continuing operations (2008: EUR 204 thousand).

37. RISK MANAGEMENT POLICIES AND DISCLOSURES

This section provides detail of the Group's exposure to financial risk and of the way it manages such risk. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk includes interest rate risk, currency risk and equity price risk.

The Group uses the Value at Risk ('VaR') methodology to evaluate market risk on its trading portfolio, the foreign currency ('FX') and commodity position of the Group as a whole using a confidence level of 99% and a horizon of 10 business days. The Group performs backtesting for market risk associated with its trading portfolio, foreign exchange and commodity positions, by applying a method of hypothetical backtesting, on a quarterly basis.

The VaR statistics as of 31 December 2009 are as follows:

In thousands of EUR	2009
VaR market risk overall	27,629
VaR interest rate risk	8
VaR foreign exchange risk	19,256
VaR stock risk	44,125
VaR commodity risk	—

Credit risk

The Group's primary exposure to credit risk arises through its loans, advances and financial guarantees provided. The amount of credit exposure is represented by the respective carrying amounts. In addition, the Group is exposed to off-balance sheet credit risk through commitments to extend credit. Most loans and advances are to banks, companies in the financial sector, and various manufacturing companies.

The carrying amount of loans and advances represents the maximum accounting loss that would be recognised at the balance sheet date if counterparties failed to perform completely as contracted and any collateral or security proved to be of no value. The amount therefore greatly exceeds expected losses. The Group's policy is to require suitable collateral to be provided by customers prior to the disbursement of loans.

The assessment of credit risk in respect of a counter-party or an issued debt is based on the Group's internal rating system. The rating is determined using the credit scale of either S&P or Moody's. If the counter-parties or their debt are not assessed using the S&P or Moody's scale (or its affiliate CRA RATING AGENCY), the internal rating of the Group is based on its own scoring system.

The scoring system of the Group has seven degrees. It is based on a standardised point evaluation of relevant criteria, which describe the financial position of a contractual party and its ability to fulfil its credit obligations – in both cases including the expected development, quality and adequacy of the collateral, as well as proposed conditions for effecting the transaction.

At portfolio level, credit risk in the banking entities of the Group is managed primarily based on the methodology of credit Value-At-Risk.

The Group holds collateral against loans and advances to customers mainly in the form of mortgages, securities and acceptances of bills of exchange.

Credit risk by sector

As at 31 December 2009

In thousands of EUR	Corporate	State, government	Financial institutions	Individuals	Other	Total
ASSETS						
Cash and cash equivalents	—	6,673	509,001	—	3,251	518,925
Financial assets at fair value through profit or loss	290,339	1,103	48,271	18	392	340,123
Financial instruments held to maturity	6,169	517	14,278	—	—	20,964
Securities available for sale	17,583	—	—	—	—	17,583
Loans and advances to customers	1,769,280	—	61,003	51,559	30	1,881,872
Receivables from sale of discontinued operations	250,324	—	—	8	—	250,332
Trade receivables and other assets	308,360	2,491	2,119	297	4,448	317,715
Total	**2,642,055**	**10,784**	**634,672**	**51,882**	**8,121**	**3,347,514**
LIABILITIES						
Deposits and loans from banks	—	—	350,914	—	—	350,914
Deposits and loans from customers	1,577,083	247,263	61,370	245,695	306,107	2,437,518
Financial, trade and other liabilities	659,406	5,047	92,841	10,233	1,117	768,644
Total	**2,236,489**	**252,310**	**505,125**	**255,928**	**307,224**	**3,557,076**

As at 31 December 2008

In thousands of EUR	Corporate	State, government	Financial institutions	Individuals	Other	Total
ASSETS						
Cash and cash equivalents	—	10,190	373,391	—	3,058	386,639
Financial assets at fair value through profit or loss	231,630	—	48,378	7	379	280,394
Financial instruments held to maturity	510	514	—	—	—	1,024
Securities available for sale	19,599	—	105	9,881	7	29,592
Loans and advances to customers	1,450,639	—	29,186	40,856	2,299	1,522,980
Receivables from sale of discontinued operations	193,333	—	—	8	—	193,341
Trade receivables and other assets	223,364	8,596	4,971	6,101	28,727	271,759
Total	**2,119,075**	**19,300**	**456,031**	**56,853**	**34,470**	**2,685,729**
LIABILITIES						
Deposits and loans from banks	—	—	569,454	—	—	569,454
Deposits and loans from customers	1,133,698	280,192	300,982	87,850	138,724	1,941,446
Financial, trade and other liabilities	228,451	6,929	101,509	6,565	4,815	348,269
Total	**1,362,149**	**287,121**	**971,945**	**94,415**	**143,539**	**2,859,169**

Credit risk by location

As at 31 December 2009

In thousands of EUR	Slovakia	Czech Republic	Cyprus	Liechtenstein	Other	Total
ASSETS						
Cash and cash equivalents	41,701	358,231	83	76	118,834	518,925
Financial assets at fair value through profit or loss	82,555	121,749	320	—	135,499	340,123
Financial instruments held to maturity	—	19,933	—	—	1,031	20,964
Securities available for sale	12	16,663	391	—	517	17,583
Loans and advances to customers	449,634	403,088	771,442	102,889	154,819	1,881,872
Receivables from sale of discontinued operations	9	224,985	9,810	15,528	—	250,332
Trade receivables and other assets	60,250	20,808	162,898	60,856	12,903	317,715
Total	**634,161**	**1,165,457**	**944,944**	**179,349**	**423,603**	**3,347,514**
LIABILITIES						
Deposits and loans from banks	85,962	239,320	—	—	25,632	350,914
Deposits and loans from customers	538,214	1,321,999	95,185	135,767	346,353	2,437,518
Financial, trade and other liabilities	15,281	535,037	8,894	50,074	159,358	768,644
Total	**639,457**	**2,096,356**	**104,079**	**185,841**	**531,343**	**3,557,076**

As at 31 December 2008

In thousands of EUR	Slovakia	Czech Republic	Cyprus	Liechtenstein	Other	Total
ASSETS						
Cash and cash equivalents	142,735	181,920	—	81	61,903	386,639
Financial assets at fair value through profit or loss	—	100,567	704	167	178,956	280,394
Financial instruments held to maturity	—	—	—	—	1,024	1,024
Securities available for sale	11,461	11,399	—	—	6,732	29,592
Loans and advances to customers	446,683	340,719	488,675	56,581	190,322	1,522,980
Receivables from sale of discontinued operations	6,430	2,528	29,985	154,398	—	193,341
Trade receivables and other assets	37,642	85,362	55,077	43,183	50,495	271,759
Total	**644,951**	**722,495**	**574,441**	**254,410**	**489,432**	**2,685,729**
LIABILITIES						
Deposits and loans from banks	105,675	421,041	—	—	42,738	569,454
Deposits and loans from customers	303,411	1,154,723	140,900	186,594	155,818	1,941,446
Financial, trade and other liabilities	22,264	89,571	5,782	75,148	155,504	348,269
Total	**431,350**	**1,665,335**	**146,682**	**261,742**	**354,060**	**2,859,169**

Credit risk – impairment of financial assets

As at 31 December 2009

In thousands of EUR	Loans and advances to customers	Financial assets at fair value through profit or loss (excl. derivatives)	Financial instruments held to maturity	Securities available for sale	Trade receivables and other assets
Within maturity (net)	1,771,910	336,828	1,031	17,345	488,539
After maturity (net)	75,850	—	—	—	67,501
Total	**1,847,760**	**336,828**	**1,031**	**17,345**	**556,040**
A – ASSETS FOR WHICH A PROVISION HAS BEEN CREATED (OVERDUE AND IMPAIRED)					
– Gross	164,867	—	176	—	30,721
– provision individual	(91,394)	—	176	—	(1,340)
– provision collective	(259)	—	—	—	(9,958)
Net	**73,214**	**—**	**—**	**—**	**19,423**
B – ASSETS FOR WHICH A PROVISION HAS NOT BEEN CREATED (OVERDUE BUT NOT IMPAIRED)					
– after maturity <30 days	243	—	—	—	1,948
– after maturity 31-60 days	—	—	—	—	391
– after maturity 61-90 days	389	—	—	—	(7,118)
– after maturity 91-180 days	80	—	—	—	2,291
– after maturity 181-365 days	90	—	—	—	45,995
– after maturity >365 days	1,834	—	—	—	4,571
	2,636	**—**	**—**	**—**	**48,078**
Total	**75,850**	**—**	**—**	**—**	**67,501**

As at 31 December 2008

In thousands of EUR	Loans and advances to customers	Financial assets at fair value through profit or loss (excl. derivatives)	Financial instruments held to maturity	Securities available for sale	Trade receivables and other assets
Within maturity (net)	1,601,136	240,671	1,025	29,586	257,349
After maturity (net)	115,185	—	—	6	14,409
Total	1,716,321	240,671	1,025	29,592	271,758
A – ASSETS FOR WHICH A PROVISION HAS BEEN CREATED (PAST DUE AND IMPAIRED)					
– Gross	201,315	—	175	—	16,290
– provision individual	(89,469)	—	(175)	—	(15,983)
– provision collective	(314)	—	—	—	(118)
Net	111,532	—	—	—	189
B – ASSETS FOR WHICH A PROVISION HAS NOT BEEN CREATED (PAST DUE BUT NOT IMPAIRED)					
– after maturity <30 days	311	—	—	6	78
– after maturity 31-60 days	19	—	—	—	453
– after maturity 61-90 days	—	—	—	—	54
– after maturity 91-180 days	2	—	—	—	457
– after maturity 181-365 days	1,467	—	—	—	496
– after maturity >365 days	1,854	—	—	—	12,682
	3,653	—	—	6	14,220
Total	115,185	—	—	6	14,409

Liquidity risk

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

Various methods of managing liquidity risks are used by individual companies in the Group, including individual monitoring of large deposits. The Group's management focuses on methods used by financial institutions, that is, diversification of sources of funds. This diversification makes the Group flexible and limits its dependency on one financing source. Liquidity risk is evaluated in particular by monitoring changes in the structure of financing and comparing these changes with the Group's liquidity risk management strategy. The Group also holds, as a part of its liquidity risk management strategy, a portion of its assets in highly liquid funds.

The table below provides an analysis of assets and liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. Expected maturities differ from contracted ones as historical evidence shows that most short-term loans and deposits are prolonged. The analysis is presented under the most prudent consideration of maturity dates, where options or repayment schedules allow for early repayment possibilities. Therefore, in the case of liabilities, the earliest possible repayment date is shown while for assets the latest possible repayment date is disclosed. Those assets and liabilities that do not have a contractual maturity date are grouped together in the "undefined maturity" category.

Maturities of financial assets and liabilities

As at 31 December 2009

In thousands of EUR	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Undefined maturity	Total
ASSETS						
Cash and cash equivalents	500,303	—	—	—	18,622	518,925
Financial assets at fair value through profit or loss	322,876	17,247	—	—	—	340,123
Financial instruments held to maturity	19,933	340	691	—	—	20,964
Securities available for sale	5,100	—	—	513	11,970	17,583
Loans and advances to customers	265,911	837,083	356,967	216,855	205,056	1,881,872
Receivables from sale of discontinued operations	200,764	12,189	37,379	—	—	250,332
Trade receivables and other assets	193,785	100,776	6,726	84	16,344	317,715
	1,508,672	**967,635**	**401,763**	**217,452**	**251,992**	**3,347,514**
LIABILITIES						
Deposits and loans from banks	96,498	193,958	60,098	360	—	350,914
Deposits and loans from customers	1,051,578	1,173,882	182,410	5,746	23,902	2,437,518
Financial, trade and other liabilities	87,555	569,573	21,119	74,552	15,845	768,644
	1,235,631	**1,937,413**	**263,627**	**80,658**	**39,747**	**3,557,076**
Loan commitments	**24,488**	**165,162**	**20,532**	**7,578**	**—**	**217,760**

As at 31 December 2008

In thousands of EUR	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Undefined maturity	Total
ASSETS						
Cash and cash equivalents	225,130	—	—	—	161,509	386,639
Financial assets at fair value through profit or loss	242,488	37,906	—	—	—	280,394
Financial instruments held to maturity	173	—	851	—	—	1,024
Securities available for sale	29,592	—	—	—	—	29,592
Loans and advances to customers	366,185	883,494	186,378	86,246	677	1,522,980
Receivables from sale of discontinued operations	1,592	56,783	134,966	—	—	193,341
Trade receivables and other assets	157,204	87,761	1,491	136	25,167	271,759
	1,022,364	**1,065,944**	**323,686**	**86,382**	**187,353**	**2,685,729**
LIABILITIES						
Deposits and loans from banks	215,689	43,291	269,488	36,889	4,097	569,454
Deposits and loans from customers	906,686	974,753	35,110	1,728	23,169	1,941,446
Financial, trade and other liabilities	183,211	50,182	12,634	92,925	9,317	348,269
	1,305,586	**1,068,226**	**317,232**	**131,542**	**36,583**	**2,859,169**
Loan commitments	**103,903**	**40,336**	**2,381**	**14,066**	**—**	**160,686**

Interest rate risk

The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Group's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that reprice to a market rate of interest before maturity, the next repricing date. Those assets and liabilities that do not have a contractual maturity date or are non interest-bearing are grouped together in the "maturity undefined" category.

Various methods of managing interest rate risks are used by the banking entities of the Group. Management focuses on methods applied by financial institutions, in particular the Value-At-Risk methodology. The banks use the Value-At-Risk methodology based on a 99% confidence level and a ten-day holding period. The Present Value Basis Point methodology is also used to measure interest rate risk for particular time groupings.

Interest rate risk exposure as at 31 December 2009 is as follows:

In thousands of EUR	Up to 1 year	1 year to 5 years	Over 5 years	Undefined maturity	Total
ASSETS					
Cash and cash equivalents	514,724	—	—	4,201	518,925
Financial assets at fair value through profit or loss	71,793	—	—	268,330	340,123
Financial instruments held to maturity	19,933	—	—	1,031	20,964
Securities available for sale	5,100	—	—	12,483	17,583
Loans and advances to customers	1,525,096	126,358	15,318	215,100	1,881,872
Receivables from sale of discontinued operations	12,189	14,715	—	223,428	250,332
Trade receivables and other assets	23,234	586	494	293,401	317,715
Total	**2,172,069**	**141,659**	**15,812**	**1,017,974**	**3,347,514**
LIABILITIES					
Deposits and loans from banks	296,781	53,060	1,073	—	350,914
Deposits and loans from customers	2,342,498	55,620	1,128	38,272	2,437,518
Financial, trade and other liabilities	146,993	20,161	—	601,490	768,644
Total	**2,786,272**	**128,841**	**2,201**	**639,762**	**3,557,076**

Interest rate risk exposure as at 31 December 2008 was as follows:

In thousands of EUR	Up to 1 year	1 year to 5 years	Over 5 years	Undefined maturity	Total
ASSETS					
Cash and cash equivalents	243,427	—	—	143,212	386,639
Financial assets at fair value through profit or loss	60,332	2,993	364	216,705	280,394
Financial instruments held to maturity	1,024	—	—	—	1,024
Securities available for sale	7,783	—	—	21,809	29,592
Loans and advances to customers	1,488,174	16,384	18,248	174	1,522,980
Receivables from sale of discontinued operations	37,299	134,965	—	21,077	193,341
Trade receivables and other assets	36,653	3,701	—	231,405	271,759
Total	1,874,692	158,043	18,612	634,382	2,685,729
LIABILITIES					
Deposits and loans from banks	436,563	80,656	52,235	—	569,454
Deposits and loans from customers	1,874,039	25,773	1,612	40,022	1,941,446
Financial, trade and other liabilities	182,268	64	18,235	147,702	348,269
Total	2,492,870	106,493	72,082	187,724	2,859,169

Foreign exchange risk

The Group takes on exposure from effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

As at 31 December 2009, the exposure from foreign exchange risk translated to thousands of EUR is as follows:

In thousands of EUR	USD	EUR	CZK	Other	Total
ASSETS					
Cash and cash equivalents	51,780	76,169	355,871	35,105	518,925
Financial assets at fair value through profit or loss	16,515	102,679	191,321	29,608	340,123
Financial instruments held to maturity	—	150	19,783	1,031	20,964
Securities available for sale	—	17	17,053	513	17,583
Loans and advances to customers	33,953	1,112,012	722,374	13,533	1,881,872
Receivables from sale of discontinued operations	—	24,380	225,952	—	250,332
Trade receivables and other assets	3,018	268,207	44,152	2,338	317,715
Total	105,266	1,583,614	1,576,506	82,128	3,347,514
Off balance sheet assets	463,256	463,042	1,487,734	26,734	2,440,766
LIABILITIES					
Deposits and loans from banks	2,237	93,935	237,287	17,455	350,914
Deposits and loans from customers	44,443	703,613	1,651,471	37,991	2,437,518
Financial, trade and other liabilities	6,755	181,207	579,197	1,485	768,644
Total	53,435	978,755	2,467,955	56,931	3,557,076
Off balance sheet liabilities	922,893	1,238,995	1,275,569	516,718	3,954,175

Off balance sheet items are mostly receivables and payables related to derivative operations, granted and received promises and guarantees, granted and received pledges and assets under management.

As at 31 December 2008, the exposure to foreign exchange risk translated to thousands of EUR was as follows:

In thousands of EUR	SKK	USD	EUR	CZK	Other	Total
ASSETS						
Cash and cash equivalents	142,118	68,742	37,752	110,621	27,406	386,639
Financial assets at fair value through profit or loss	—	13,087	910	248,148	18,249	280,394
Financial instruments held to maturity	—	—	—	—	1,024	1,024
Securities available for sale	18,101	—	5	11,406	80	29,592
Loans and advances to customers	753,328	114,703	80,371	516,012	58,566	1,522,980
Receivables from sale of discontinued operations	152,294	—	—	41,047	—	193,341
Trade receivables and other assets	80,141	1,376	104,043	84,937	1,262	271,759
Total	**1,145,982**	**197,908**	**223,081**	**1,012,171**	**106,587**	**2,685,729**
Off balance sheet assets	293,317	573,101	173,052	2,058,845	71,765	3,170,080
LIABILITIES						
Deposits and loans from banks	88,427	58,130	4,183	416,920	1,794	569,454
Deposits and loans from customers	433,231	112,396	90,516	1,272,461	32,842	1,941,446
Financial, trade and other liabilities	50,166	728	149,073	145,798	2,504	348,269
Total	**571,824**	**171,254**	**243,772**	**1,835,179**	**37,140**	**2,859,169**
Off balance sheet liabilities	727,219	1,033,109	600,946	1,582,587	514,042	4,457,903

Operational risk

Operational risk is the risk of loss arising from fraud, unauthorised activities, error, omission, inefficiency or system failure. It arises from all the Group's activities and is a risk faced by all business organisations. Operational risk includes legal risk.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and avoid control procedures which restrict initiative and creativity.

The primary responsibility for the implementation of controls to address operational risk is assigned to management within each subsidiary. This responsibility is supported by the development of overall standards within the Group for the management of operational risk which is done by the Risk Department and which cover the following areas:

- Requirements for the reconciliation and monitoring of transactions.
- Identification of operational risk within the framework of each subsidiary's control system (development of conditions for decreasing and limiting operational risk, as well as its impacts and consequences; recommendations for appropriate solutions in this area).
- Reporting of operational risk events by entering the information into the regulated consolidated Group's database of operational risks.
- This overview of the Group's operational risk events allows the Group to specify the direction of the steps and processes to take in order to limit these risks, as well as to make decisions with regard to:
  - accepting the individual risks that are faced;
  - initiating processes leading to limitation of possible impacts; or
  - decreasing the scope of the relevant activity or discontinuing it entirely.

– To obtain more detailed quantification on the scope of risks faced, the Group evaluates quarterly values from variables that are averaged within the framework of the Basic Indicator Approach (BIA).

Sensitivity analysis

(i) Interest rate risk

The Group performs stress testing using a standardised interest rate shock, i.e. an immediate decrease/increase in interest rates by 100 basis points ('bp') along the whole yield curve is applied to the interest rate positions of the portfolio.

The result of the stress test

In thousands of EUR	2009	2008
Impact on profit or loss of a decrease in interest rates by 100 bp	3,229	(4,574)
Impact on profit or loss of an increase in interest rates by 100 bp	(3,229)	4,574

(ii) Foreign exchange risk

A 100 bp strengthening of the Euro against the Czech Crown and US Dollar would have had a negative effect on the portfolio.

Effect on the portfolio of a 100 bp strengthening of the EUR in percentage:	2009 %	2008 %
CZK	4.21	3.77
USD	(0.24)	0.74

A 100 bp weakening of the Euro against the Czech Crown and US Dollar would have had an equal but opposite effect on the portfolio.

(iii) Equity price risk

A 10% strengthening of the largest financial investments - shares in Unipetrol, a.s., Central European Media and Tatry mountain resorts, a.s. (JASNÁ) (see Note 22) would have had a positive effect on the total statement of financial position.

	2009 %	2008 %
Effect on total statement of financial position in percentage	0.44	0.51

A 10% weakening of the largest financial investments - shares in Unipetrol, a.s., Central European Media and Tatry mountain resorts, a.s. (JASNÁ) (see Note 22) would have had an equal but opposite effect on the total statement of financial position.

Capital management
The Group's policy is to hold a strong capital base so as to maintain creditor and market confidence and to sustain future development of its business.

Consolidated capital adequacy is calculated in accordance with regulations of the Central Bank of the Czech Republic. Decree No. 123/2007 Coll. which incorporates the relevant regulations of the European Community (Directive 2006/48/EC and Directive 2006/49/EC) that are based on new requirements of the Basel Capital Accord, known as Basel II. The Group started to apply the new regulations as of 1 January 2008.

The Consolidated Group's capital is analysed into two tiers:
– Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, translation reserve and non-controlling interests after deductions for goodwill and intangible assets.
– Tier 2 capital, which includes qualifying subordinated liabilities.

The Regulated Consolidated Group (RCG) is defined for the purposes of the prudential rules on a consolidated basis by the Act on Banks No. 21/1992 and Decree No. 123/2007 Coll. (Regulation of the Central Bank of the Czech republic). According to this regulation, the financial holding group of the ultimate shareholders of J&T Finance Group is defined as the RCG. Different consolidation rules are applicable for RCG's purposes – only companies which have the status of financial institutions as defined by Czech legislation are fully consolidated.

Regulatory Capital

In thousands of EUR	2009	2008
Core capital (Tier 1)	582,272	545,272
Supplementary capital (Tier 2)	24,208	24,482
Total regulatory capital after deductible items	**606,480**	**569,754**
CAPITAL REQUIREMENTS		
Credit risk of investment portfolio	253,088	265,262
Operational risk (BIA)	18,676	19,477
General interest risk	3,427	1,754
General equity risk	169	150
Capital requirement for currency risk	42,803	54,156
Capital requirement for commodity risk	13	14
Credit risk of trading portfolio	46,412	56,074
Total amounts of capital requirements	**318,176**	**340,813**

The regulatory capital is calculated as the sum of the core capital (Tier 1) and supplementary capital (Tier 2) reduced by deductible items and increased by capital for market risk coverage (Tier 3). Tier 1 capital comprises paid up share capital, the statutory reserve fund, other equity funds and retained earnings. Tier 2 capital comprises subordinated debt approved by the Czech National Bank in an amount of EUR 24,208 thousand. The deductible items include intangible assets recognised at net book value.

In thousands of EUR		2009		2008
Calculation of Capital adequacy ratio	8% x	606,480 / 318,176	8% x	569,754 / 340,813
Capital adequacy ratio		15.25%		13.37%

The capital adequacy ratio is calculated according to regulatory requirements as the ratio of regulatory capital to total capital requirements multiplied by 8%. The capital adequacy ratio must be at least 8%.

38. FIDUCIARY TRANSACTIONS

Fiduciary placements represent funds customers have instructed the Group to place in other banks. The Group is not liable to the customer for any default by the other bank, nor do creditors of the Group have a claim on the assets placed.

In 2009 fiduciary transactions performed by J&T Bank (Switzerland) Ltd. amounted to CHF 596,863 thousand (EUR 402,307 thousand) compared to CHF 623,888 thousand (EUR 416,960 thousand) in the previous year.

The Group also acts in its own name as trustee or in fiduciary capacities for the account of third parties. The assets managed in such capacities are not reported on the balance sheet unless they are invested with the Group. The Group earns commission and fee income from such transactions and assets. These activities potentially expose the Group to liability risks in cases of gross negligence with regard to non-compliance with its fiduciary and contractual duties. The Group has policies and processes in place to manage these risks.

39. ASSETS UNDER MANAGEMENT

In thousands of EUR	2009	2008
Assets in own-managed funds	58,915	52,000
Assets with discretionary mandates	104,144	128,911
Other assets under management	1,040,612	920,917
Total assets under management (including double counting)	**1,203,671**	**1,101,828**
Of which double counting	4,106	338

Calculation method

Assets under management comprise all client assets managed or held for investment purposes only. In summary, these include all balances due to customers, fiduciary time deposits and all valued portfolio assets. Custodial assets (assets held solely for transaction and safe-keeping purposes) are not included in assets under management.

Assets in own-managed funds
This comprises assets of all the Group's investment funds.

Assets with discretionary mandates
Securities, value rights, precious metals, the market value of fiduciary investments with third parties and customer deposits are included in the calculation of assets with discretionary mandates. The figures comprise both assets deposited with Group companies and assets deposited with third parties, for which the Group companies hold a discretionary mandate.

Other assets under management
Securities, value rights, precious metals, the market value of fiduciary investments with third parties and customer deposits are included in the calculation of other assets under management. The figures comprise assets for which an administration or advisory mandate is exercised.

Double counting
This item comprises fund units from own-managed funds, which are disclosed both in client portfolios with discretionary mandates and in other client safe-keeping accounts.

40. RELATED PARTIES

Identity of related parties

The Group has a related party relationship with its parent company and ultimate parent owners and other parties, as identified in the following table, either at 31 December 2009 or during the year:

(1) Ultimate shareholders and companies they control
(2) Entities with joint control or significant influence over the Company and its subsidiaries or associates
(3) Associates
(4) Joint ventures in which the Group is a venturer
(5) Key management personnel of the entity or its parent
(6) Other related parties

x – the company was not a related party at the year-end.

In thousands of EUR	Ref.	Accounts receivable 2009	Accounts payable 2009	Accounts receivable 2008	Accounts payable 2008
Ultimate shareholders and companies they control	1	58,834	27	29,266	79
ABS Bravo Limited	3	—	—	1,144	10
Pražská energetika, a.s.	3	—	—	92	1,031
ABS Plane Limited	4	—	—	3,812	85
Exonerate Trading Limited	4	72	60	24	44
Henbury Development, s.r.o.	4	—	—	657	11
Popper Capital, s.r.o.	4	—	—	1,280	182
VSV consulting, s.r.o.	4	—	—	—	108
Other Joint ventures and associates	3,4	—	—	2,090	415
RESR Real Estate Management Anstalt	5	—	—	114,431	53
CACR Corporate Advisors Anstalt	5	—	—	37,299	20
Total for disposed entities of segment Real Estate	5	—	—	392,659	3,758
Total for disposed entities of segment Services	5	—	—	41,806	1,305
Total for disposed entities of segment Corporate	5	313,083	200,159	105,183	18,088
Other key management personnel of the entity or its parent and companies they control	5	155,233	64,663	58,733	130,981
Others		—	—	79,320	57,182
Total		**527,222**	**264,909**	**867,796**	**213,352**

The provision for doubtful debts due from the "Ultimate shareholders and companies they control" as at 31 December 2009 amounted to EUR 545 thousand (2008: EUR 545 thousand).

"Ultimate shareholders and companies they control" includes the following:
J&T Securities, s.r.o., J&T Sport Team, Jakabovič Ivan, KOLIBA REAL s.r.o., TECHNO PLUS, a.s. and Tkáč Jozef. None of these, except TECHNO PLUS, a.s., produce publicly available consolidated financial statements which include the Group.

The summary of transactions with related parties during 2009 and 2008 is as follows:

In thousands of EUR	Ref.	Revenues 2009	Expenses 2009	Revenues 2008	Expenses 2008
Ultimate shareholders and companies they control	1	1,869	2	1,714	13
ABS Bravo Limited	3	—	—	112	—
Pražská energetika, a.s.	3	7,646	942	515	11,245
PREdistribuce, a.s.	3	—	—	464	8
ABS Plane Limited	4	—	—	433	1
DCA park, s.r.o.	4	—	—	444	2
EXONERATE TRADING LIMITED	4	255	1	1,363	—
Popper Capital, s.r.o.	4	—	—	81	29
Other Joint ventures and associates	3,4	5,267	64	252	198
RESR Real Estate Management Anstalt	5	13,258	—	120,437	—
CACR Corporate Advisors Anstalt	5	943	—	21,354	—
Total for disposed entities of segment Real Estate	5	9	31	12,956	5,074
Total for disposed entities of segment Services	5	—	—	2,408	2,452
Total for disposed entities of segment Corporate	5	17,175	1,663	6,152	8,403
Other key management personnel of the entity or its parent and companies they control	5	71,460	51,991	8,679	4,440
Others		1,432	239	27,542	39,402
Total		119,314	54,933	204,906	71,267

The summary of guarantees with related parties at year-end is as follows:

In thousands of EUR	Ref.	Guarantees received 2009	Guarantees provided 2009	Guarantees received 2008	Guarantees provided 2008
Ultimate shareholders and companies they control	1	39,593	55	112,913	381
ABS Bravo Limited	3	—	—	—	3,023
Popper Capital, s.r.o.	4	—	—	1,126	—
Key management personnel of the entity or its parent and companies they control	5	36,269	90,120	434,826	15,701
Others		—	—	35,904	321
Total		75,862	90,175	584,769	19,426

Transactions with directors and key management

Total remuneration included in "personnel expenses" and loans to directors and key management are as follows:

In thousands of EUR	2009	2008
Remuneration	2,868	5,049
Loans	1,937	3,613

Of the loans to directors and key management, new loans of EUR 6 thousand were granted during 2009 and EUR 1,721 thousand were repaid.

41. SUBSEQUENT EVENTS

International Power Opatovice, a.s., acquired by the Group in November 2009, changed its name to Elektrárny Opatovice, a.s. on 1 January 2010.

On 15 January 2010 the Group established a 100% subsidiary, SONDERACO TRADING LIMITED, which will hold long term investments.

On 16 January 2010 the Group established a 100% subsidiary, SWAINA LIMITED, which will trade with shares.

On 16 March 2010 the Group sold its 100% share in Barton & Lloyd Investment, spol. s r.o. This company is included in the Disposal group held for sale (see Note 25).

42. GROUP ENTITIES

The list of the group entities as at 31 December 2009 is set out below:

		2009	2009	2008	2008	2009
Company name	Country of incorporation	Consolidated %	Owner-ship interest	Consolidated %	Owner-ship interest	Consolidation method
J&T FINANCE GROUP, a.s.	Slovakia	100	direct	100	direct	Full
J&T FINANCE, a.s.	Czech Republic	100	direct	100	direct	Full
J&T BANKA, a.s.	Czech Republic	100	direct	100	direct	Full
Bea Development, a.s.	Czech Republic	100	direct	100	direct	Full
J&T ASSET MANAGEMENT, INV. SPOL., a.s.	Czech Republic	100	direct	100	direct	Full
J&T Bank (Switzerland) Ltd.	Switzerland	100	direct	—		Full
IBI FUND ADVISORY S.A.	Luxembourg	100	direct	100	direct	Full
J&T Integris Group LTD	Cyprus	100	direct	—		Full
J&T BFL Anstalt	Lichtenstein	100	direct	100	direct	Full
Bayshore Merchant Services Inc	British Virgin Islands	90	direct	90	direct	Full
INTEGRIS FUNDS LIMITED	Cayman Islands	100	direct	100	direct	Full
BAYSHORE BANK AND TRUST CORPORATION	Barbados	100	direct	100	direct	Full
PRIVATE COUNSELS TRUST	Turks & Caicos Islands	100	direct	—	—	Full
INTEGRIS BANK AND TRUST (TURKS & CAICOS ISLANDS) LTD.	Turks & Caicos Islands	100	direct	100	direct	Full
J&T Concierge, s.r.o.	Czech Republic	100	direct	100	direct	Full
J&T Bank ZAO (formerly Tretij Rim ZAO)	Russia	100	direct	—		Full[1]
ZST, a.s.	Slovakia	—	—	100	direct	Full
Geodezie Brno a.s.	Czech Republic	96.76	direct	96.76	direct	Full
ASSET MANAGEMENT Bratislava, a. s. v likvidácii (J&T ASSET MANAGEMENT, a.s.)	Slovakia	100	direct	—		Full
První zpravodajská a.s.	Czech Republic	100	direct	100	direct	Full
První energetická a.s.	Czech Republic	—	—	100	direct	Full
KHASOMIA LIMITED	Cyprus	100	direct	—		Full
Honor Invest, a.s.	Czech Republic	—	—	100	direct	Full
Pražská energetika, a.s.	Czech Republic	—	—	41.1	direct	Equity
PREdistribuce, a.s.	Czech Republic	—	—	100	direct	Equity
PREměření, a.s.	Czech Republic	—	—	100	direct	Equity
PREleas, a.s.	Czech Republic	—	—	100	direct	Equity
BAULIGA a.s.	Czech Republic	—	—	100	direct	Full
SOR Libchavy spol. s r.o.	Czech Republic	—	—	99.8	direct	Full

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		2009	2009	2008	2008	2009
Company name	Country of incorporation	Consolidated %	Owner-ship interest	Consolidated %	Owner-ship interest	Consolidation method
SOR SLOVAKIA, s.r.o.	Slovakia	—	—	100	direct	Full
SOR Poland z o.o.	Poland	—	—	100	direct	Full
SOR Bulgaria EOOD	Bulgaria	—	—	100	direct	Full
Masna Holding Limited	Cyprus	—	—	100	direct	Full
Českomoravský uzenářský holding, a.s.	Czech Republic	—	—	100	direct	Full
KMOTR - Masna Kroměříž, a.s.	Czech Republic	—	—	100	direct	Full
Krahulík-MASOZÁVOD Krahulčí, a.s.	Czech Republic	—	—	100	direct	Full
Czech Energy Holding, a.s.	Czech Republic	—	—	100	direct	Full
United Energy, a.s.	Czech Republic	—	—	100	direct	Full
United Energy Moldova, s.r.o.	Czech Republic	—	—	100	direct	Full
United Energy Trading, a.s.	Czech Republic	—	—	100	direct	Full
EKY III, a.s.	Czech Republic	—	—	100	direct	Full
United Energy Invest a.s.	Czech Republic	—	—	100	direct	Full
United Energy Coal Trading, a.s.	Czech Republic	—	—	100	direct	Full
PRVNÍ MOSTECKÁ a.s.				47.06	direct	Equity[2]
První energetická a.s.	Czech Republic	—	—	100	direct	Full
RIGOBERTO INVESTMENTS LIMITED	Cyprus	100	direct	—	—	Full
EAST BOHEMIA ENERGY HOLDING LIMITED (LIBUTE INVESTMENTS LTD)	Cyprus	100	direct	—	—	Full
International Power Opatovice, a.s.	Czech Republic	100	direct	—	—	Full
Reatex a.s.	Czech Republic	100	direct	—	—	Full
EOP & HOKA s.r.o.	Czech Republic	99.79	direct	—	—	Full
V A H O s.r.o.	Czech Republic	100	direct	—	—	Full
Pražská teplárenská, a.s.	Czech Republic	48.67	direct	—	—	Equity
Termonta Praha a.s.	Czech Republic	100	direct	—	—	Equity
Energotrans, a.s.	Czech Republic	100	direct	—	—	Equity
Teplo Neratovice spol. s r.o.	Czech Republic	100	direct	—	—	Equity
KOTRAB ENTERPRISES LIMITED	Cyprus	100	direct	—	—	Full
J&T Private Equity B.V.	The Netherlands	100	direct	100	direct	Full
J&T FINANCIAL INVESTMENTS Ltd.	Cyprus	100	direct	100	direct	Full
Barton & Lloyd Investment, spol. s r.o.	Slovakia	100	direct	100	direct	Full
BLUESTORE, s.r.o.	Czech Republic	—	—	90	direct	Full
J&T International Anstalt	Lichtenstein	100	direct	100	direct	Full
Equity Holding, a.s.	Czech Republic	62.64	direct	—	—	Full
VULKAN akciová společnost	Czech Republic	90.20	SPE	85.69	SPE	Full

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Company name	Country of incorporation	2009 Consolidated %	2009 Owner-ship interest	2008 Consolidated %	2008 Owner-ship interest	2009 Consolidation method
STOMARLI HOLDINGS LIMITED	Cyprus	100	SPE	95	SPE	Full
Gomanold Trading Limited	Cyprus	100	SPE	95	SPE	Full
EXONERATE TRADING LIMITED	Cyprus	50	SPE	—	—	Equity
Gomanold společnost s ručením omezeným	Czech Republic	100	SPE	—	—	Full
Retunk, a.s.	Czech Republic	100	SPE	—	—	Full
HORTEN LIMITED	Cyprus	100	SPE	—	—	Full
FERVENT HOLDINGS LTD	Cyprus	100	SPE	95	SPE	Full
LCE Company Limited (NOTAFKO)	Cyprus	100	SPE	—		Full
J&T MEDIA ENTERPRISES, a.s.	Slovakia	—	—	95	SPE	Full[3]
MAG MEDIA, a.s.	Slovakia	—	—	100	SPE	Full[3]
Slovenská produkčná, a.s.	Slovakia	95	SPE	95	SPE	Full[3]
MAC TV s.r.o.	Slovakia	100	SPE	100	SPE	Full[3]
NEEVAS INVESTMENT LIMITED	Cyprus	100	SPE	100	SPE	Full
FORAX PROPERTY LIMITED	Cyprus	100	SPE	100	SPE	Full
POPELANTE DEVELOPMENT LIMITED	Cyprus	100	SPE	95	SPE	Full
EGNARO INVESTMENTS LIMITED	Cyprus	100	SPE	—		Full
J&T Investment Pool - I - CZK, a.s.	Czech Republic	37.60	direct	45.40	direct	Full
J&T Investment Pool - I - SKK, a.s.	Slovakia	9.11	direct	4.67	direct	Full
J&T Capital Management Anstalt	Lichtenstein	100	direct	100	direct	Full
Ingramm International, B.V.	The Netherlands	100	direct	—	—	Full
J&T Management, a.s. (J&T Finance Management, a.s.)	Czech Republic	100	direct	—	—	Full
J&T GLOBAL SERVICES LIMITED (J&T FINANCIAL SERVICES Ltd.)	Cyprus	100	direct	—	—	Full
JTG Services Anstalt	Lichtenstein	100	direct	—	—	Full
J&T Finance, LLC	Russia	100	direct	—	—	Full

The structure above is listed by ownership of companies at the different levels within the Group.

[1] The Group owns a 99% share in J&T Bank ZAO through its subsidiary J&T FINANCE, a.s. and another 1% share through J&T FINANCE GROUP, a.s.

[2] On 1 January 2009 TEPLO MOST, a.s. merged with its parent company PRVNÍ MOSTECKÁ a.s.

[3] MAG MEDIA, a.s. and J&T MEDIA ENTERPRISES, a.s. merged into Slovenská produkčná, a.s. on 1 January 2009.

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