

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

STATEMENT OF FINANCIAL POSITION
AS OF
(expressed in thousands HRK)

	March 31, 2009	December 31, 2008
ASSETS		
<i>Cash on hand and due from banks</i>	4,694	14,020
<i>Deposits with other banks</i>	627,277	819,837
<i>Loans to banks</i>	12,428,665	11,987,708
<i>Loans to other customers</i>	5,682,574	5,648,101
<i>Assets available for sale</i>	163,856	164,913
<i>Investments in associates</i>	-	-
<i>Property, plant and equipment and intangible assets</i>	64,987	66,091
<i>Non-current assets held for sale</i>	43,033	41,441
<i>Other assets</i>	7,851	9,603
TOTAL ASSETS	19,022,937	18,751,714
LIABILITIES		
<i>Deposits</i>	351,959	439,017
<i>Borrowings</i>	5,240,346	5,020,121
<i>Bonds payable</i>	5,938,570	5,868,681
<i>Other liabilities</i>	1,116,045	1,140,055
Total liabilities	12,646,920	12,467,874
Equity		
<i>Founder's capital</i>	4,775,739	4,723,739
<i>Retained earnings and reserves</i>	1,553,432	1,378,526
<i>Other reserves</i>	(8,567)	(5,754)
<i>Net profit for the year</i>	42,765	174,906
Equity excluding guarantee fund	6,363,369	6,271,417
<i>Guarantee fund</i>	12,648	12,423
Total equity including guarantee fund	6,376,017	6,283,840
TOTAL LIABILITIES AND TOTAL EQUITY INCLUDING GUARANTEE FUND	19,022,937	18,751,714

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOME STATEMENT
FOR THE PERIOD JANUARY 1 TO MARCH 31
(expressed in thousands HRK)

	2009	2008
<i>Interest income</i>	232,739	232,173
<i>Interest expense</i>	<u>(131,062)</u>	<u>(122,081)</u>
<i>Net interest income</i>	101,677	110,092
<i>Fee income</i>	3,676	5,525
<i>Fee expenses</i>	<u>(73)</u>	<u>(372)</u>
<i>Net fee income</i>	3,603	5,153
<i>Net gains/(losses) on financial operations</i>	22,288	(7,589)
<i>Other income</i>	<u>558</u>	<u>541</u>
<i>Operating income</i>	128,126	108,197
<i>Operating expenses</i>	(18,977)	(20,834)
<i>Impairment loss and provisions</i>	<u>(66,384)</u>	<u>(46,765)</u>
<i>Profit before income tax</i>	42,765	40,598
<i>Income tax</i>	<u>-</u>	<u>-</u>
<i>Profit after income tax</i>	42,765	40,598

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO MARCH 31**
(expressed in thousands HRK)

	2009	2008
<i>Profit after income tax</i>	42,765	40,598
<i>Other comprehensive income</i>		
<i>Net exchange in fair value of assets available for sale</i>	(3,045)	(1,001)
<i>Net foreign exchange on available for sale equity securities</i>	232	(115)
<i>Total</i>	(2,813)	(1,116)
<i>Total comprehensive income</i>	39,952	39,482

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

**STATEMENT OF CASH FLOWS
FOR THE PERIOD JANUARY 1 TO MARCH 31
(expressed in thousands HRK)**

	2009	2008
Operating activities		
<i>Profit before income tax</i>	42,765	40,598
Adjustments to reconcile to net cash from and used in operating activities:		
<i>Depreciation</i>	1,493	1,514
<i>Impairment loss and provisions</i>	66,384	46,765
<i>Accrued interest</i>	(21,469)	13,913
<i>Deferred fees</i>	(3,000)	1,781
<i>Operating profit before working capital changes</i>	86,173	104,571
Changes in operating assets and liabilities:		
<i>Net decrease in deposits with other banks, before provision for impairment</i>	194,356	53,808
<i>Net (increase) in loans to banks, before provision for impairment</i>	(448,268)	(360,068)
<i>Net (increase)/decrease in loans to other customers, before provision for impairment</i>	(93,741)	221,411
<i>Net decrease in other assets, before provision for impairment</i>	1,535	76
<i>Net (increase) in non-current assets held for sale</i>	(1,592)	-
<i>Net (decrease) in deposits from banks and companies</i>	(86,900)	(69,716)
<i>Net (decrease) in other liabilities, before provisions</i>	(11,287)	(50,581)
Net cash used in operating activities	(359,724)	(100,499)
Investment activities		
<i>Net (increase) in financial assets at fair value through profit or loss</i>	-	(8,103)
<i>Net (increase)/decrease in assets available for sale</i>	(2,242)	1,355
<i>Net decrease in assets held to maturity</i>	-	363
<i>Net (purchases) of property, plant and equipment and intangible assets</i>	(390)	(968)
Net cash provided by investment activities	(2,632)	(7,353)
Financing activities		
<i>Net increase in founder's capital</i>	52,000	2
<i>Net increase in borrowings</i>	196,539	220,084
<i>Net increase/(decrease) in bonds payable</i>	104,264	(53,694)
<i>Net increase/(decrease) in Guarantee fund</i>	225	(122)
Net cash provided by financing activities	353,028	166,270
<i>Net (decrease)/increase in cash and cash equivalents</i>	(9,328)	58,418
<i>Balance as of 1 January, before provisions</i>	14,062	24,835
<i>Net (decrease)/increase in cash</i>	(9,328)	58,418
Balance as of 31 March, before provisions	4,734	83,253

CROATIAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD JANUARY 1 TO MARCH 31
(expressed in thousands HRK)**

	<i>Founder`s capital</i>	<i>Retained earnings and reserves</i>	<i>Other reserves</i>	<i>Net profit for the year</i>	<i>Total equity excluding guarantee fund</i>	<i>Guarantee fund</i>	<i>Total equity including guarantee fund</i>
Balance as of 1 January 2008	4,389,737	1,137,611	(1,869)	240,915	5,766,394	12,985	5,779,379
<i>Increase in fair value of assets available for sale</i>	-	-	20	-	20	-	20
<i>Decrease in fair value of assets available for sale</i>	-	-	(1,021)	-	(1,021)	-	(1,021)
<i>Foreign exchange losses on available for sale equity securities</i>	-	-	(115)	-	(115)	-	(115)
Total income and expense for the year recognised directly in equity	-	-	(1,116)	-	(1,116)	-	(1,116)
<i>Profit after income tax</i>	-	-	-	40,598	40,598	-	40,598
Total recognized income and expense for the period	-	-	(1,116)	40,598	39,482	-	39,482
<i>Payment</i>	-	-	-	-	-	-	-
<i>Other payment</i>	2	-	-	-	2	-	2
<i>Net foreign exchange</i>	-	-	-	-	-	(122)	(122)
<i>Transfer of profit 2007 to retained earnings</i>	-	240,915	-	(240,915)	-	-	-
Balance as of 31 March 2008	4,389,739	1,378,526	(2,985)	40,598	5,805,878	12,863	5,818,741
Balance as of 1 January 2009	4,723,739	1,378,526	(5,754)	174,906	6,271,417	12,423	6,283,840
<i>Increase in fair value of assets available for sale</i>	-	-	3,479	-	3,479	-	3,479
<i>Decrease in fair value of assets available for sale</i>	-	-	(6,524)	-	(6,524)	-	(6,524)
<i>Foreign exchange gains on available for sale equity securities</i>	-	-	232	-	232	-	232
Total income and expense for the year recognised directly in equity	-	-	(2,813)	-	(2,813)	-	(2,813)
<i>Profit after income tax</i>	-	-	-	42,765	42,765	-	42,765
Total recognized income and expense for the period	-	-	(2,813)	42,765	39,952	-	39,952
<i>Payment</i>	52,000	-	-	-	52,000	-	52,000
<i>Net foreign exchange</i>	-	-	-	-	-	225	225
<i>Transfer of profit 2008 to retained earnings</i>	-	174,906	-	(174,906)	-	-	-
Balance as of 31 March 2009	4,775,739	1,553,432	(8,567)	42,765	6,363,369	12,648	6,376,017