J&T Global Finance I., B.V.

Interim Financial Statements

For the period ended 30 June 2014

J&T Global Finance I., B.V.

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Directors' Report

The directors present their interim financial statements for J&T Global Finance I., B.V. (the "Company") for the period ended 30 June 2014 which have been prepared in accordance with Dutch law.

General information

The Company is a limited liability company incorporated under the laws of The Netherlands and acting as a finance company for J&T FINANCE GROUP (the "Group"), which is domiciled in the Czech Republic. The Company was registered on 26 October 2011 at the Chamber of Commerce in Amsterdam, the Netherlands.

The principal activity of the Company is to raise funds for the Group through the issue of bonds or other securities. The Company does not perform any research or development activities.

The Company's parent company is J&T INTEGRIS GROUP LIMITED (see below), which is incorporated in Nicosia, Cyprus. The Company's ultimate parent company is J&T FINANCE GROUP SE, registered in Prague, Czech Republic.
The Company funds its expenses through the margin made between the interest received on its loans granted to Group companies and interest paid to bondholders.

During the financial year 2013 the following important events with the effect on the Company took place:

5 December 2013 – Contract on debt assumption: J&T FINANCE GROUP, a. s. assumes from J&T Private Equity B.V. its liabilities towards the Company. Hence, the new debtor on the loan by the Company is J&T FINANCE GROUP, a. s., which entered into the original loan contract with no change of conditions.

10 December 2013 – J&T FINANCE GROUP, a. s. transfers the shares of the Company into its subsidiary J&T FINANCE, a. s. through the increase of other capital funds. As a result of this operation, J&T FINANCE, a. s. became the new parent company of J&T Global Finance I., B.V.

17 December 2013 – J&T FINANCE, a. s. transfers the shares of the Company into its subsidiary J&T INTEGRIS GROUP LIMITED through the increase of other capital funds. As a result of this operation, J&T INTEGRIS GROUP LIMITED became the new parent company of J&T Global Finance I., B.V.

1 January 2014 – With effect from 1 January 2014, a cross-border merger of TECHNO PLUS, a. s, J&T FINANCE GROUP, a. s. and J&T FINANCE, a. s. has taken place. The successor company is a Czech company J&T FINANCE, a. s., which also changed its legal form to a European company and changed its name to J&T FINANCE GROUP SE. The seat of the successor company is Prague.

The successor company takes over all rights and obligations of TECHNO PLUS, a. s. and J&T FINANCE GROUP, a. s. including all the obligations from bonds issued by the Company.

The Group is a diversified financial group with operations in banking and asset management. Banking activities include private banking as well as services in corporate and investment banking. In asset management the Group manages assets for its clients in its own funds and provides an investment advice.

Business review

On 30 November 2011, the Company launched an offering of CZK 3,000,000 thousand 6.4 % fixed rate bonds, maturing on 30 November 2014.

The bonds in the total amount of CZK 3,000,000 thousand were successfully placed with investors by 16 December 2011. Considering strong market demand for the bonds, the Company used, in accordance with the bond prospectus, the option to issue additional bonds in the total amount of up to CZK 1,500,000 thousand. By 31 December 2011 the total amount of bonds outstanding was CZK 3,510,000 thousand. By 14 February 2012 the Company successfully completed the placement of additional bonds in the amount of CZK 1,500,000 thousand. In total, the Company has issued bonds in the amount of CZK 4,500,000 thousand.

The bonds were placed with institutional investors and private clients. The success of the bond issue with investors confirms the confidence of the market in the Group's business model despite current volatility in the financial markets.

On 30 May 2014 the Company paid the fifth payment of interest income.

The bonds and interest outstanding are guaranteed by the ultimate parent company, J&T FINANCE GROUP SE and are listed on the Prague Stock Exchange (ISIN: CZ0000000252).

Proceeds from the bond issue were lent to J&T FINANCE GROUP SE (see more detail below).

Financial risk management

Credit risk
Credit risk is the risk of a financial loss in the Company if counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans to Group companies. Since all significant loans are receivables from J&T FINANCE GROUP SE, one of the Group's companies, credit risk is concentrated at this counterparty.

All funding is obtained on behalf of the Group and passed on directly to J&T FINANCE GROUP SE. The management of the Company assesses and reviews risks for Group companies, and does not expect that any Group company will fail to meet its obligations. J&T FINANCE GROUP SE have also provided a guarantee for these amounts. J&T FINANCE GROUP SE is the parent company of the whole Group and owns significant assets in the form of investments in Group companies including banks. Due to these factors, the credit risk is considered low.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The liquidity risk is considered low since the bonds are effectively covered by loans receivable of the same amount maturing 30 November 2014, and are guaranteed by the ultimate parent company J&T FINANCE GROUP SE. For more information related to the loans receivable and bonds refer to the notes 3 and 5.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The market risk is considered low as no significant transactions have taken place in foreign currencies, and the nominal interest rates of the loan receivables and bond payables are fixed. The Company is not affected by changes in equity prices.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards or corporate behaviour. Operational risks could arise from all of the Company's operations.

Due to the nature of the Company's operations, management is of the opinion that the operational risk is low. Management analyses the environment and regulations and in the case of changes will act accordingly.

Capital management
The Board's policy is to maintain its capital as minimum capital. The Company is not subjected to externally imposed capital requirements.

Future outlook

The bonds will mature on 30 November 2014. The Directors are of the opinion that the Company will continue to be used as a finance company for Group and that these activities will be maintained during this financial year.

As of preparation of this Directors' Report, the Company does not consider issue of other bonds.

Directors and directors' interests

The directors who held office during the period were as follows:
Mgr. Miloš Badida
Ing. Roman Florián, CFA
Nicolaas Scholtens
Theodorus Johannes Bleijendaal

According to the Shareholder´s resolution dated 4 April 2014 the sole shareholder J&T INTEGRIS GROUP LIMITED accepted the resignation of Messrs. Miloš Badida and Nicolaas Scholtens as managing directors of the Company. The directors who held office at the end of the financial period and at signing of these accounts had no disclosable interest in the shares or bonds of the Company.

By order of the board

Amsterdam, 20 August 2014

Theodorus Johannes Bleijendaal

Ing. Roman Florián, CFA

Interim statement of comprehensive income

in thousands of CZK	*Note*	1 January 2014 - 30 June 2014	1 January 2013 - 30 June 2013
Interest income	*8*	176,067	174,921
Interest expense	*5*	(158,294)	(157,257)
Net interest income		**17,773**	**17,664**
Other financial expenses	*9*	(10,859)	(10,865)
General and administration expenses		(615)	(633)
Profit before tax		**6,299**	**6,166**
Income tax expense	*10*	(36)	(36)
Profit for the period		**6,263**	**6,130**
Other comprehensive income		-	-
Total comprehensive income for the period		**6,263**	**6,130**

The accompanying notes on pages 8 to 21 form an integral part of these interim financial statements.

Interim statement of financial position

in thousands of CZK	*Note*	30 June 2014	31 December 2013
Assets			
Loans receivable from Group companies	*3*	-	-
Total non-current assets		-	-
Loans receivable from Group companies	*3*	4,456,731	4,456,731
Accrued interest receivable from Group companies	*3*	81,191	63,317
Prepaid expenses		1,522	3,322
Cash at bank	*4*	774	557
Total current assets		**4,540,218**	**4,523,927**
Total assets		**4,540,218**	**4,523,927**
Equity and liabilities			
Share capital	*7*	447	447
Other reserves		19,155	7,310
Comprehensive income for the period		6,263	11,845
Total Equity		**25,865**	**19,602**
Issued bonds	*5*	-	-
Total non-current liabilities		-	-
Issued bonds	*5*	4,412,340	4,412,340
Interest payable on issued bonds	*5*	97,078	82,784
Income tax payable		63	108
Other liabilities	*6*	4,814	8,686
Accrued expenses		58	407
Total current liabilities		**4,514,353**	**4,504,325**
Total liabilities		**4,514,353**	**4,504,325**
Total equity and liabilities		**4,540,218**	**4,523,927**

The accompanying notes on pages 8 to 21 form an integral part of these interim financial statements.

Interim statement of changes in equity

in thousands of CZK	Share capital	Other reserves	Comprehensive income for the period	Total
Balance as at 1 January 2013	447	-	7,310	**7,757**
Other reserves	-	7,310	-	**7,310**
Comprehensive income for the year 2012	-	-	(7,310)	**(7,310)**
Comprehensive income for the period	-	-	6,130	**6,130**
Balance as at 30 June 2013	**447**	**7,310**	**6,130**	**13,887**
Comprehensive income for the period	-	-	5,715	**5,715**
Balance as at 31 December 2013	**447**	**7,310**	**11,845**	**19,602**
Other reserves	-	11,845	-	**11,845**
Comprehensive income for the year 2013	-	-	(11,845)	**(11,845)**
Comprehensive income for the period	-	-	6,263	**6,263**
Balance as at 30 June 2014	**447**	**19,155**	**6,263**	**25,865**

The accompanying notes on pages 8 to 21 form an integral part of these interim financial statements.

Interim statement of cash flows

in thousands of CZK	1 January 2014 - 30 June 2014	1 January 2013 - 30 June 2013
Cash flows from operating activities		
Profit before tax	**6,299**	**6,166**
Adjustments for non-cash items:		
Unrealised foreign exchange loss / (profit)	1	(8)
Operating profit before changes in operating activities	**6,300**	**6,158**
Change in operating assets		
Increase in interest receivable from Group companies	(17,874)	(2,794)
Decrease in prepaid expenses	1,800	1,900
Cash used for increase in operating assets	**(16,074)**	**(894)**
Change in operating liabilities		
Increase in interest payable from bonds issued	14,294	13,257
Decrease in accrued expenses	(349)	(526)
Decrease in other liabilities	(3,873)	(17,661)
Cash generated from operating liabilities	**10,072**	**(4,930)**
Tax paid	(81)	-
Net cash flows provided from operating activities	**217**	**334**
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	**217**	**334**
Cash and cash equivalents at the beginning of the period	**557**	**226**
Cash and cash equivalents at the end of the period	**774**	**560**

The accompanying notes on pages 8 to 21 form an integral part of these interim financial statements.

1 Corporate information

J&T Global Finance I., B.V. ('the Company') is a private company with limited liability incorporated in the Netherlands on 26 October 2011. The Company's registration number is 53836146 and its registered office is at Weteringschans 26, 1017 SG Amsterdam, the Netherlands.

The principal activity of the Company is to raise funds for the Group through the issue of bonds or other securities. The Company does not perform any research or development activities.

The Company's parent company is J&T INTEGRIS GROUP LIMITED which is incorporated in Nicosia, Cyprus. The Company's ultimate parent company is J&T FINANCE GROUP SE registered in Prague, Czech Republic.

During December 2013 these changes of parent company and ultimate parent company took place:

10 December 2013 – J&T FINANCE GROUP, a. s. transfers the shares of the Company into its subsidiary J&T FINANCE, a. s. through the increase of other capital funds. As a result of this operation, J&T FINANCE, a. s. became the new parent company of J&T Global Finance I., B.V.

17 December 2013 – J&T FINANCE, a. s. transfers the shares of the Company into its subsidiary J&T INTEGRIS GROUP LIMITED through the increase of other capital funds. As a result of this operation, J&T INTEGRIS GROUP LIMITED became the new parent company of J&T Global Finance I., B.V.

1 January 2014 – With effect from 1 January 2014, a cross-border merger of TECHNO PLUS, a. s, J&T FINANCE GROUP, a. s. and J&T FINANCE, a. s. has taken place. The successor company is a Czech company J&T FINANCE, a. s., which also changed its legal form to a European company and changed its name to J&T FINANCE GROUP SE. The seat of the successor company is Prague.

The Company's financial statements are included in the consolidated financial statements of the ultimate parent company.

2 Significant accounting policies

Statement of compliance

The interim financial statements for the period ended 30 June 2014 have been prepared in accordance with *IAS 34 – Interim financial reporting* and do not include all information for full annual financial statements. The half-year financial report shall be read in conjunction with most recent annual financial statements.

The interim financial statements were approved by the Board of Directors on 20 August 2014.

Basis of preparation

The financial statements have been prepared under the historical cost convention, unless otherwise indicated.

Financial statements are presented in CZK, rounded to the nearest thousand. The functional currency of the Company is Czech crown (CZK), since most of the Company's assets and liabilities are denominated in this currency.

2 Significant accounting policies (continued)

The following standards, amendments to standards and interpretations are effective for the first time for the period ended 30 June 2014, and have been applied in preparing J&T Global Finance I., B.V.'s financial statements:

In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011) that are effective for annual periods beginning on or after 1 January 2013. Earlier application was permitted provided that all of these five standards are applied early at the same time. Key requirements of these five Standards are described below:

(i) *IFRS 10* replaces the parts of *IAS 27 Consolidated and Separate Financial Statements* that deal with consolidated financial statements. *SIC-12 Consolidation – Special Purpose Entities* has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

(ii) *IFRS 11* replaces *IAS 31 Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. *SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers* has been withdrawn upon the issuance of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

(iii) *IFRS 12* is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards

Management adopted that these five standards in the Group's consolidated financial statements for the annual period beginning 1 January 2014 as required by EFRAG (European Financial Reporting Advisory Group). Application of these five standards does not have any impact on the Company's financial statements because the Company does not hold any subsidiaries and investment in joint arrangements.

In October 2012, the amendments to *IFRS 10 Investment Entities* (effective for annual reports beginning on or after 1 January 2014, with earlier application permitted) were issued. Since the Company does not meet a definition of investment entity, the amendments does not have any impact on financial statements of the Company.

In May 2013, IFRIC 21, *'Levies'*, (effective for annual reports beginning on or after 1 January 2014) was issued. The new interpretation provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37, *'Provisions, Contingent Liabilities and Contingent Assets'* and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes, fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. IFRIC 21 does not have any impact on financial statements of the Company.

2 Significant accounting policies (continued)

Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014; to be applied retrospectively. Earlier application was permitted, however the additional disclosures required by amendments to IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities also had to be made). The amendments do not introduce new rules for offsetting financial assets and liabilities; rather they clarify the offsetting criteria to address inconsistencies in their application. The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

There is no impact of this standard on the financial statements of the Company.

Amendments to IAS 36 – Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014; to be applied retrospectively. Earlier application was permitted, however an entity would not apply the amendments in periods (including comparative periods) in which it did not also apply IFRS 13). The amendments clarify that the recoverable amount should be disclosed only for individual assets (including goodwill) or cash-generating units for which an impairment loss was recognised or reversed during the period. The amendments also require the following additional disclosures when impairment for individual assets (including goodwill) or cash-generating units has been recognised or reversed in the period and the recoverable amount is based on fair value less costs to disposal:

- the level of IFRS 13 'Fair value hierarchy' within which the fair value measurement of the asset or cash-generating unit is categorized;
- for fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique together with the reason for making it;
- for fair value measurements categorised within Level 2 and Level 3, each key assumption (i.e. assumptions to which the recoverable amount is most sensitive) used in determining fair value less costs of disposal. If fair value less costs of disposal is measured using a present value technique, the discount rate(s) used both in current and previous measurement should be disclosed.

There is no impact of this standard on the financial statements of the Company.

Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014; to be applied retrospectively. Earlier application was permitted, however an entity could not apply the amendments in periods (including comparative periods) in which it did not also apply IFRS 13). The amendments allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws and regulations, when the following criteria are met:

- the novation is made as a consequence of laws or regulations;
- a clearing counterparty becomes a new counterparty to each of the original counterparties of the derivative instrument;
- changes to the terms of the derivative are limited to those necessary to replace the counterparty.

There is no impact of this standard on the financial statements of the Company

2 Significant accounting policies (continued)

Uses of estimates

Financial statements prepared in compliance with International Financial Reporting Standards require various judgments, assumptions, and estimates to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

2 Significant accounting policies (continued)

General

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability. The revenue and expenses are allocated to the period to which they relate. Revenues are recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer.

Foreign currencies

Transactions denominated in currencies other than CZK are recorded at rates of exchange approximating to those ruling at the dates of the transactions. Assets and liabilities denominated in such currencies are translated into CZK using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Financial instruments

Financial instruments include loans receivable from Group companies, as well as bonds payable to third parties. Financial instruments are initially recognized at fair value, including directly attributable transactions costs. After initial recognition, financial instruments are carried at amortised cost using the effective interest method, less impairment losses.
Level disclosure in the fair value hierarchy is not presented in the financial statements as there are no gains/losses on financial instruments as these are recognised at amortised cost.

Impairment

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

2 Significant accounting policies (continued)

Recognition of income and expenses

Interest income and expense are determined on the basis of interest earned and charged over the relating periods, according to the accrual method of accounting. Other revenues and expenses are recorded in the period to which they relate.

Income tax

Income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Financial risk management

Credit risk
Credit risk is the risk of a financial loss in the Company if counterparty to the financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans to Group companies. Since all significant loans are receivables from J&T FINANCE GROUP SE, one of the Group's companies, credit risk is concentrated at this counterparty.

All funding is obtained on behalf of the Group and passed on directly to J&T FINANCE GROUP SE. The management of the Company assesses and reviews risks for Group companies, and does not expect that any Group company will fail to meet its obligations. J&T FINANCE GROUP SE have also provided a guarantee for these amounts. J&T FINANCE GROUP SE is the parent company of the whole Group and owns significant assets in the form of investments in Group companies including banks. Due to these factors, the credit risk is considered low.
Within the credit risk management procedures, the issuer observes and monitors the counterparty risk on regular basis by performing risk review including review of debtor financial performance, its current financial statements as well as its overall solvency position with the emphasis on its ability to meet debt obligation.

The Company is exposed to credit risk on the loans and interest receivable from Group companies as well as cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 June 2014	**31 December 2013**
Loans receivable from Group companies	4,456,731	4,456,731
Accrued interest receivable from group companies	81,191	63,317
Cash and cash equivalents	774	557

In these financial statements no overdue amounts are reflected and no impairment has to be made.

2 Significant accounting policies (continued)

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The liquidity risk is considered low since the bonds are effectively covered by loans receivable of the same amount maturing 30 November 2014, and are guaranteed by the ultimate parent company J&T FINANCE GROUP SE. For more information related to the loans receivable and bonds refer to the notes 3 and 5.

Issuer assesses the movements in the working capital during its normal course of business and is aware of the risk from short term mismatch between its account payables and account receivables. Issuer mitigates this risk by engaging on transaction only with credible and solvent counterparties.

The terms and conditions of the loans outstanding are the same as the terms and conditions of the borrowings; therefore the Company faces limited liquidity risk.

The following are the contractual (undiscounted) maturities of financial assets and liabilities, including estimated interest payments:

30 June 2014

	Carrying amount	Contractual cash flows	< 1 year	1 – 5 years	> 5 years
Issued bonds	4,509,418	4,644,000	4,644,000	-	-
Loans receivable	4,537,922	4,687,496	4,687,496	-	-

31 December 2013

	Carrying amount	Contractual cash flows	< 1 year	1 – 5 years	> 5 years
Issued bonds	4,495,124	4,788,000	4,788,000	-	-
Loans receivable	4,520,048	4,845,689	4,845,689	-	-

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The market risk is considered low as no significant transactions have taken place in foreign currencies, and the nominal interest rates of the loan receivables and bond payables are fixed. The Company is not affected by changes in equity prices.

Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards or corporate behaviour. Operational risks could arise from all of the Company's operations.

Due to the nature of the Company's operations, management is of the opinion that the operational risk is low. Management analyses the environment and regulations and in the case of changes will act accordingly.

2 Significant accounting policies (continued)

Business environment
Economic and financial markets in the Netherlands belong to the most advanced among the developed countries. The legal, tax and regulatory frameworks are generally stable and reputable for its business environment.
The financial statements reflect management's assessment of the impact of the Netherlands business environment on the operations and the financial position of the Company. The future business environment may, of course, differ from management's assessment. If the business environment substantially differs in any important aspect including e.g. legal, economic, tax, regulatory framework, the Company's would face additional risks and uncertainties that could cause deterioration of Company's economic situation.

Capital management
The Board's policy is to maintain its capital as minimum capital. The Company is not subjected to externally imposed capital requirements.

Statement of cash flows

Due to the nature of the Company's operations being financing activities, movements in borrowings and Group receivables are generally considered to be operating activities and classified as such in the Statement of cash flows. The cash flows from operating activities are prepared using the indirect method.

Seasonality of operations

The Company´s operations are not subject to seasonal fluctuations.

3 Loans receivable from Group companies

Entity name	Maturing date	Contractual interest rate	Effective interest rate	Amount in thousands of CZK
As at 31 December 2013				
J&T FINANCE GROUP, a. s.	30 November 2014	7.9 %	8.0373 %	4,520,048
As at 30 June 2014				
J&T FINANCE GROUP SE	30 November 2014	7.9 %	8.0435 %	4,537,922

Movements in the loan were as follows:

	1 January 2014 - 30 June 2014	1 January 2013 - 30 June 2013
Carrying amount at the beginning of the period	4,456,731	4,456,731
Loan provided	-	-
Loan repayments	-	-
Total loan receivable	**4,456,731**	**4,456,731**
Carrying amount at the beginning of the period	63,317	36,538
Effective interest income	176,067	174,921
Interest received	(158,193)	(172,127)
Total accrued interest receivable	**81,191**	**39,332**
Total carrying amount at the end of the period	**4,537,922**	**4,496,063**

Loans receivable from Group companies comprise as at 30 June 2014 a loan provided to J&T FINANCE GROUP SE in the total amount of CZK 4,456,731 thousand (31 December 2013: loan provided to J&T FINANCE GROUP, a. s., CZK 4,456,731 thousand) with fixed interest rate of 7.9 % and maturity on 30 November 2014. The interests receivable are payable 30 November 2014.
According to the Contract on Debt assumption dated 5 December 2013 concluded between the Company as the creditor, J&T Private Equity B. V. as the original debtor and J&T FINANCE GROUP, a. s. as the new debtor, J&T FINANCE GROUP, a. s. assumed all rights, claims and obligations from the Credit contract dated 9 December 2011. J&T FINANCE GROUP, a. s. substituted J&T Private Equity B. V. as the new debtor from the Credit contract. On 1 January 2014 the cross-border merger has taken place. The successor company J&T FINANCE GROUP SE took over all rights and obligations of J&T FINANCE GROUP, a. s.
The loan is valued at amortised cost using the effective interest rate method. The effective interest rate for the year ended 30 June 2014 is 8.0435 % (31 December 2013: 8.0373 %) and the value of the loan is in the total amount of CZK 4,537,922 thousand (31 December 2013: CZK 4,520,048 thousand)

The fair value of the loan as at 30 June 2014 was in the total amount of CZK 4,556,180 thousand (31 December 2013: 4,525,548 thousand)

The loan is unsecured.

4 Cash at bank

Cash at bank comprise bank balances which are freely available on demand to the Company.

5 Issued bonds

On 30 November 2011, the Company launched the offering of bonds with a total amount of up to CZK 3,000,000 thousand, maturing on 30 November 2014 with a 6.4 % coupon and a nominal value of CZK 3,000 thousand per piece. The bonds in the total amount of CZK 3,000,000 thousand were successfully placed with investors by 16 December 2011.
By the end of December 2011 170 additional bonds were placed with the total value of CZK 510,000 thousand. In February 2012 there was another issue of 330 pieces of bonds in the amount of CZK 990,000 thousand and thus the total amount of bonds issued by the Company is CZK 4,500,000 thousand (1,500 pieces with nominal value of CZK 3,000 thousand). Bonds are listed and traded on the free market of the Prague Stock Exchange. The interest is paid regularly twice a year on 30 May and 30 November of given year.

in thousands of CZK

			Bonds at amortised cost as	
Date of issue	**Amount issued**	**Effective interest rate**	**30 June 2014**	**31 December 2013**
30 November 2011	30,000	7.3028 %	30,059	29,959
9 December 2011	636,000	7.3069 %	637,233	635,101
16 December 2011	2,334,000	7.3102 %	2,338,495	2,330,637
27 December 2011	510,000	7.2965 %	511,010	509,324
13 February 2012	495,000	7.1257 %	496,311	495,052
14 February 2012	495,000	7.1261 %	496,310	495,051
Total	**4,500,000**		**4,509,418**	**4,495,124**

	1 January 2014 - 30 June 2014	**1 January 2013 - 30 June 2013**
Carrying amount at the beginning of the period	4,412,340	4,412,340
Issued bonds	-	-
Transaction costs	-	-
Total issued bonds	**4,412,340**	**4,412,340**
Carrying amount at the beginning of the period	82,784	53,136
Increase in interest payable under effect. interest method	158,294	157,257
Interest paid to bondholders during the period	(144,000)	(144,000)
Total interest payable on issued bonds	**97,078**	**66,393**
Total carrying amount at the end of the period	**4,509,418**	**4,478,733**

The effective interest is included in "Interest expense" in the profit and loss account.
Interest expense recognised by the Company relates to issued bonds in CZK, which bear interest at 6.4 % per annum. The average interest expense relating to the bonds for the period ended 30 June 2014, based on the effective interest rate was 7.2447 % (30 June 2013: 7.2449 %).
The fair value of the bonds is estimated from the prices at Prague Stock Exchange as of 30 June 2014. The bid price amounted to 99,50 and asking price 101,50 (par value) (31 December 2013: bid price 99,50, asking price 101,50). The bid price was in the total amount of CZK 4,477,500 thousands and asking price CZK 4,567,500 thousands (31 December 2013: bid price CZK 4,477,500 thousand, asking price CZK 4,567,500 thousand). The estimated fair value is within level 1of the fair value hierarchy.

The bonds are effectively covered by loans receivable of the same amount and maturity, and are guaranteed by J&T FINANCE GROUP SE.

6 Other liabilities

in thousands of CZK	30 June 2014	31 December 2013
Trade and other payables	4,779	8,040
VAT payable	35	646
Other liabilities	**4,814**	**8,686**

Trade and other payables as at 30 June 2014 include the liabilities from the invoices from J&T FINANCE GROUP SE for providing of guarantee to the bond holders in the total amount of CZK 4,535 thousand (31 December 2013: invoice from J&T FINANCE GROUP, a. s. CZK 4,633 thousand and invoice from J&T BANKA, a. s. CZK 3,000 thousand).

7 Capital and reserves

As at the balance sheet date the Company has an authorised share capital of 90 thousand shares of EUR 1 each. The issued shares comprise 18 thousand shares, which has been fully paid. The issued share capital in the functional currency of the company is in the total amount of CZK 447 thousand. The rate used to convert the share capital to CZK is 24,93 CZK/EUR published by Czech National Bank on 26 October 2011. The issued share capital has not changed during 2014.

8 Interest income

in thousands of CZK	1 January 2014 - 30 June 2014	1 January 2013 - 30 June 2013
Interest income from cash at bank	-	-
Interest income from loans receivable	176,067	174,921
Interest income	**176,067**	**174,921**

Interest income from loans receivable recognised by the Company relates to the loan receivable from J&T FINANCE GROUP SE, which bears interest rate at 7.9 % per annum. J&T FINANCE GROUP, a. s. substituted J&T Private Equity B. V. as the new debtor from the Credit contract dated 9 December 2011 on 5 December 2013. On 1 January 2014 the cross-border merger has taken place. The successor company J&T FINANCE GROUP SE took over all rights and obligations of J&T FINANCE GROUP, a. s. The average interest income relating to the loan for the period ended 30 June 2014, based on the effective interest rate was 8.0435 % (30 June 2013: 8.0306 %).

9 Other financial expenses

in thousands of CZK	1 January 2014 - 30 June 2014	1 January 2013 - 30 June 2013
Guarantee fee	9,045	9,044
Fees for administration of the bonds	1,800	1,804
Other services	14	17
Other financial expenses	**10,859**	**10,865**

10 Income tax

The applicable tax rate for 2014 is 20 % up to Euro 200 thousand of taxable income and 25 % above Euro 200 thousand of taxable income. Under Dutch taxation certain income and expenditure are not taxable or tax deductible ("restricted expenses"). The income tax expense for the Company for the period ended 30 June 2014 is in the amount of CZK 36 thousand (30 June 2013: CZK 36 thousand).
Income taxes of the Company are based on a Transfer Pricing Report dated in February 2012. Under this Report, J&T Global Finance I., B.V. performs from a group perspective mere loan management

activities. Thus considering its risks and functions, the Company has to report an arm's length remuneration of 7.4 % applied on the operating expenses excluding one-off expenses (bond issue costs, subscription fee and prospect and preparation of emission), as well as the guarantee fee.

in thousands of CZK	**1 January 2014 - 30 June 2014**	**1 January 2013 - 30 June 2013**
Result before taxation	6,299	6,166
Adjustments to align with transfer pricing report	(3,875)	(3,730)
Cost base	**2,424**	**2,436**
Taxable income 7.4 % from the cost base	179	180
Income tax expense (20 % from the taxable income)	**36**	**36**
Withholding tax on interest income from cash at bank	-	-
Total income tax expense	**36**	**36**

11 Directors

The Company has two directors as at 30 June 2014 (31 December 2013: four directors). The directors received no remuneration for their activities in the Company during the period.

Directors and directors' interests
The directors who held office during the period were as follows:
Mgr. Miloš Badida
Ing. Roman Florián, CFA
Nicolaas Scholtens
Theodorus Johannes Bleijendaal

According to the Shareholder's resolution dated 4 April 2014 the sole shareholder J&T INTEGRIS GROUP LIMITED accepted the resignation of Messrs. Miloš Badida and Nicolaas Scholtens as managing directors of the Company. The directors who held office at the end of the financial period and at signing of these accounts had no disclosable interest in the shares or bonds of the Company.

12 Staff numbers and employment costs

The Company had no employees and therefore incurred no wages, salaries and related social security charges in 2014 (2013: no employees).

13 Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's operating decision maker and for which discrete financial information is available. The Company's Board of Directors has been identified as the chief operating decision maker for the purpose of segmental reporting. The Company has determined that it operates in one segment providing loans to related parties from funding from issued bonds. The determination is based on the reports reviewed by the Board of Directors in assessing performance, allocating resources and making strategic decisions. All of the Company's operations are provided in the Czech Republic, therefore no geographic information is provided. Interest income from Group companies exceeded 99 percent of the Company's operating revenue in the period to 30 June 2014 (30 June 2013: exceed 99 percent). The total revenue from Group companies for the period ending 30 June 2014 was CZK 176,067 thousand (30 June 2013: CZK 174,921 thousand).

14 Related parties

The Company has a related party relationship with its parent company and the companies owned by the parent companies (Group companies), either at 30 June 2014 or during the period from 1 January 2014 to 30 June 2014. J&T Private Equity, B. V. and J&T Securities Management Limited were related parties during the period from 1 January 2013 to 30 December 2013. Neevas Investment Limited was related party for the period from 1 January 2013 to 30 September 2013. Poštová banka, a. s. is related party from 1 July 2013.
There were no transactions with related parties that were not on a commercial basis.

List of related parties

Company	Nature of the transactions
J&T BANKA, a. s.	Bank account, bond holder, providing of services connecting to bond placement and their administration
J&T Private Equity B.V.	Loan receivable (original debtor)
J&T FINANCE GROUP SE	Guarantee providing, loan receivable (new debtor)
J&T SERVICES SR, s. r. o.	Providing of the accounting services
JTG Services Anstalt	Providing of the administration services
J&T Securities Management Limited	Bond holder
Neevas Investment Limited	Bond holder
Poštová banka, a. s.	Bond holder

The summary of transactions with related parties during 2014 is as follows (refer also to note 4 for more detail):

in thousands of CZK		**30 June 2014**	**31 December 2013**
Receivables		4,539,702	4,523,105
Loan receivables		*4,456,731*	*4,456,731*
Accrued interest		*81,191*	*63,317*
Bank account		*522*	*312*
Prepaid expenses		*1,258*	*2,745*
Liabilities		95,046	110,259
Bonds issued		*90,000*	*102,000*
Interest payable on issued bonds		*480*	*544*
Other liabilities and accrued expenses		*4,566*	*7,715*

in thousands of CZK	**1 January 2014 - 30 June 2014**	**1 January 2013 - 30 June 2013**
Interest income	176,067	174,921
Interest, financial and other expenses	11,993	25,160

in thousands of CZK		**30 June 2014**	**31 December 2013**
Guarantees received (off-balance sheet item)		4,524,192	4,524,288
Unutilized credit facility	*16*	43,269	43,269

15 Auditor's fees

The Company prepared its financial statements as at 30 June 2014 as non-audited financial statements. Expenses related to audit incurred for the period ended 30 June 2014 are nil (30 June 2013: CZK 62 thousand).

16 Contingencies and commitments

According to the Credit contract with J&T FINANCE GROUP SE, the credit limit that could be possibly used under the contract is in the amount of CZK 4,500,000 thousand. The undrawn amount as at 30 June 2014 is CZK 43,269 thousand (31 December 2013: CZK 43,269 thousand).

For the actual amount drawn refer to the note 3.

17 Subsequent events

There were no events subsequent to the balance sheet date which would have an impact on the Company's 2014 interim financial statements.

Amsterdam, 20 August 2014

Theodorus Johannes Bleijendaal	Ing. Roman Florián, CFA

Other information

Profit appropriation

In accordance with Article 11 of the Articles of Association, profit shall be at the disposal of the General Meeting of Shareholders. Distributions may be made only in so far as the Company's net equity exceeds the paid up capital and legal reserves. It is proposed to take the profit for the period to retained earnings.