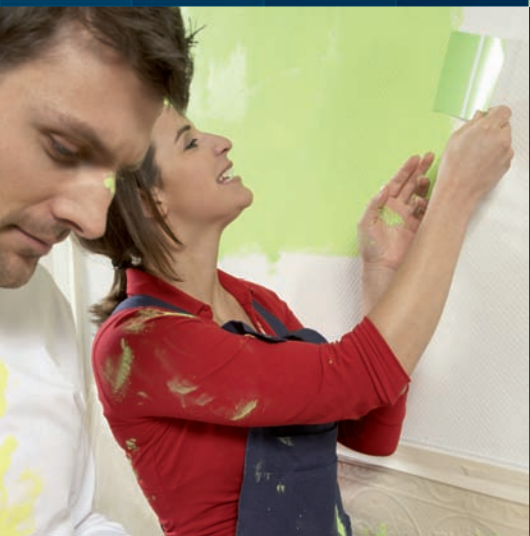
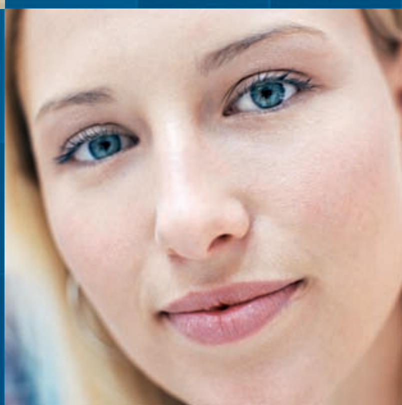
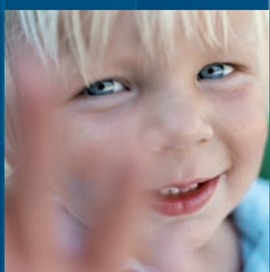
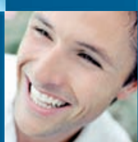


ANNUAL REPORT **2007**







ČLEN KBC GROUP

ČSOB

STAVEBNÁ SPORITEĽŇA

CONTENTS

ČLEN KBC GROUP

ČSOB

STAVEBNÁ SPORITEĽŇA

GENERAL INFORMATION

Business name: ČSOB stavebná sporiteľňa, a. s.
Registered office: Radlinského 10, 813 23 Bratislava, Slovenská republika
Corporate identification number (IČO): 35799200
Tax registration number (DIČ): 2021544030
Commencement of business activities: 1 December 2000
Legal form: joint stock company
Shareholder: Československá obchodná banka, a. s., 100% of share capital
Principal activities:

- acceptance of deposits from building savers
- provision of loans to building savers
- provision of guarantees to other banks for construction loans, mortgage loans or municipal loans
- acceptance of deposits from banks
- execution of payments and clearing relating to building savings
- provision of advisory services relating to building savings
- insurance brokerage relating to building savings
- Trading on its own account in mortgage bonds, municipal bonds, government bonds including treasury bills or with the treasury bills of the National Bank of Slovakia, based on a valid bank license.

Share capital: SKK 720 000 000
Equity shares: As at 31 December 2007, ČSOB stavebná sporiteľňa, a. s. had no equity shares in other companies.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

FOREWORD BY THE BOARD OF DIRECTORS

Dear clients, partners and colleagues,

2007 has been a successful year for the business activities of ČSOB stavebná sporiteľňa. We increased the number of newly concluded building savings contracts by 41% in comparison with the previous year. In the area of financing, we provided 16% more new loans than in the previous year. Another success in 2007 was a net profit of SKK 22.9 million.

2007 was a year of changes for ČSOB stavebná sporiteľňa, including the implementation of a new business strategy. We increased the attractiveness of our product portfolio. We significantly reduced the time needed to approve loans. We intensified work on the active administration of our credit portfolio and the collection of receivables. No less importantly, we increased the quality of the advice we provide. A modified training system helps our colleagues to increase the quality of the information they provide and enables them to satisfy the needs of clients and their family members. We also increased the availability of our products and services. At the end of 2007 it became possible to conclude and contract and obtain information on building savings in all branches of ČSOB Bank.

In 2008, ČSOB stavebná sporiteľňa plans to continue the successful course that it has taken in implementing its strategy, to complete the reorganisation of all its processes, to increase sales and to continue in its prudent credit policy.

The successes of 2007 are a promise and additional motivation for the coming years. Last year we created good conditions to make ever more clients' dreams of a quality home come true through the consistently successful ČSOB stavebná sporiteľňa.

We would like to take this opportunity to thank all our clients and business partners for their confidence, our colleagues for their commitment and dedication in their work and our shareholder for their support and the space to implement our business strategy.

Sincerely

Ľubomír Kováčik
CEO

Jana Langerová
senior director

Martin Čuba
senior director

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

STATEMENT OF THE SUPERVISORY BOARD

The supervisory board performed its tasks in accordance with sections 197–201 of the Commercial Code, as amended, the articles of association of ČSOB stavebná sporiteľňa a.s. and its rules of procedure. The board of directors submitted reports on the activities of ČSOB stavebná sporiteľňa a.s. and its financial situation to the supervisory board. The company's financial statements were audited by the company Ernst & Young Audit Slovensko, spol. s r. o. In the opinion of the auditor, the financial statements present fairly, in all material respects, the assets, liabilities, equity and financial position as at 31 December 2007 and the results of its operations for the 2007 in accordance with international financial reporting standards as adopted by the European Union.
The supervisory board reviewed the financial statements to 31 December 2007, prepared in accordance with International Financial Reporting Standards (IFRS), accepted the results of the audit of the financial statements for 2007 and approved the annual financial statements and the proposal for distributing the company's profit for 2007.

Marc Bautmans
chairperson of the supervisory board

Branislav Straka
member of the supervisory board

Jana Jašková
member of the supervisory board

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

ORGANISATION STRUCTURE

Ľubomír Kováčik
Chairperson of the board of directors and CEO

- Secretariat of the board of directors and senior management of the company
- Internal Audit and Compliance
- Collection of receivables
- Risk management
- Purchasing and Asset management and services SR
  - PFM coordination in group
  - Investment and technical support
- Integrated marketing communication SR
- External partners
- Legal division
- Human resources
  - Personnel administration and employment law SR
  - Payroll accounting and Controlling SR

Jana Langerová
Member of the board of directors and senior operations director

- Loans
- Financial management and financial accounting
  - Financial accounting
- Receivables administration
- Information technology
- Bank operations
  - Savings and payment operations
  - Customer contracts

Martin Čuba
Member of the board of directors and senior sales director

- Sales support and education
- Product development

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

COMPANY PROFILE

ČSOB stavebná sporiteľňa entered the Slovak market in 2000.
It is a part of the strong ČSOB Financial Group.

ČSOB Financial Group

The ČSOB Financial Group is unique in terms of the broad range of products and services that it offers to all clients. It offers not only banking services but also insurance, various types of financing, building savings, loans, investment, pension savings, leasing, factoring and other services under a single roof. Thanks to a highly individualised approach to all types of clients, it is an equally reliable partner for young families, business start-ups and large and stable companies. Its ambition is to offer not only first class services but also quality advice.

The financial group includes ČSOB banka, ČSOB stavebná sporiteľňa, ČSOB Asset Management, ČSOB d.s.s., ČSOB Factoring, ČSOB Leasing and ČSOB Poisťovňa.

Profile of the KBC group

The parent company and main shareholder of ČSOB is one of the largest bancassurance groups in Western Europe, the Belgian group KBC. It was created at the start of 2005 by the merger of KBC Bank, Insurance Holding Company and its parent company Almanij. KBC Bank and Insurance Holding Company were established in 1998. KBC is a strong bancassurance group supported by a long-term stable shareholder. It is a market leader in Belgium and Central and Eastern Europe. It has over 55 000 employees and serves 12 million clients.

KBC's values are professionalism, mutual respect and openness. These values form the basis of the company culture in the ČSOB Financial Group. Its goal is to create and develop long-lasting mutually beneficial relationships with clients.

ČLEN KBC GROUP

ČSOB
STAVEBNÁ SPORITEĽŇA

COMMERCIAL AND FINANCIAL PERFORMANCE OF ČSOB STAVEBNÁ SPORITEĽŇA

The aim of ČSOB stavebná sporiteľňa in 2007 was to put into effect the company strategy formulated at the end of 2006. The key business indicators show marked improvement in comparison with the previous year. This growth was achieved despite the extensive transformation of the sales network that took place in 2007. At the end of 2007, the main distribution channel of ČSOB stavebná sporiteľňa, which is the Internal Distribution Network of the ČSOB Financial Group increased its number of sales representatives fourfold. The end of the first six-year cycle of savings clients on the bank's funds had a more positive outcome than expected, one of the reasons for which was the continuous improvements in the processes and products that ČSOB stavebná sporiteľňa offers. As well as new business, the bank thus achieved also a higher volume of deposits in comparison with the plan to 31 December 2007. In the area of loans, the health of the credit portfolio improved, as can be seen from the improved indicators for delinquency. Changes in credit processes and a tightening of credit policy were positively reflected in the quality of new loans in 2007 (0.1% classified loans from loan production in 2007). ČSOB stavebná sporiteľňa made a net profit of SKK 22.9 million.

ČLEN KBC GROUP

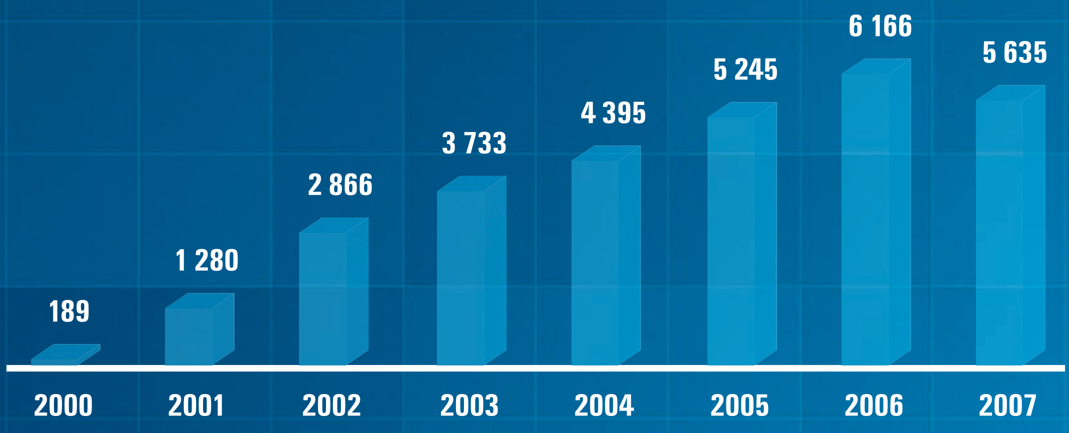
ČSOB STAVEBNÁ SPORITEĽŇA

Development in savings contracts

In 2007 more than 102 000 clients made use of the products and services of ČSOB stavebná sporiteľňa, with concluded savings contracts whose target values amount in total to over SKK 24 billion. 10 670 new building savings contracts were concluded during the year.

Balance of building savings contracts, by year:

Amounts saved on building savings accounts, in SKK million:



ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

Development of loans

ČSOB stavebná sporiteľňa granted 2 191 loans in 2007 with a total volume of SKK 774.62 million. Since its establishment in 2000, it has granted 18 308 loans with a volume of SKK 4.7 billion.

Cumulative number of approved construction loans and interim loans:

Cumulative volume of approved construction loans and interim loans:

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

Product portfolio

In 2007 the bank´s product portfolio underwent a number of important changes. Their objective was to increase the availability, the options and the variability of the product range for both existing and potential clients. In important innovation was the introduction of a single fee for the conclusion of a building savings contract without regard to the target amount. With effect from 5 December 2007 every new building savings contract (whether concluded by a corporate entity or private person) is concluded for a standard fee of SKK 999. For the average target amount of SKK 400 000 which the average client chose in the previous year, the new system represents a saving of over SKK 3000. For higher target amounts the saving for the client is even greater. ČSOB stavebná sporiteľňa prepared a special interim loan GARANT for existing clients who have made use of building savings for at least 3 years. From April to September these clients could take out a loan up to two times the amount saved under the contract. The amount of the monthly instalment for the duration of the loan (i.e. during the interim loan and construction loan phases) is the same and extraordinary instalments can be paid at any time.

During 2007, ČSOB stavebná sporiteľňa intensified its cooperation with ČSOB Poisťovňa in the area of loan insurance. Loan insurance protects interim loan or construction loan debtors and their family members in the event of dangerous and unforeseeable life situations such as long-term incapacity for work, loss of employment, disability or death. At the end of 2007 ČSOB stavebná sporiteľňa redesigned its products, creating a completely new product range. The changes affected the original so-called savings products under the Profit name and the Profit Kľúčik product intended for children, in which the interest from the construction loan was reduced, while the product retained a favourable return on deposits with a 2-percent interest rate and the state bonus. The main change to credit products was in their variability. Clients can now choose the parameters of the credit product according to their needs and abilities. They can thus obtain a loan starting from 2.9% per year, a loan without

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ČSOB STAVEBNÁ SPORITEĽŇA

prior saving or the investment of their own funds. They can choose a repayment period of up to 30 years. The repayment period for the loan can be shortened without charge, greater deposits can be made to the savings account during the interim loan phase or greater instalments can be paid during the construction loan phase.

In 2007 ČSOB stavebná sporiteľňa also simplified procedures for obtaining loans secured using real estate. Clients anywhere in Slovakia can request an internal valuation of their real estate. For building savers this represents a major saving in time and money because ČSOB stavebná sporiteľňa carries out all tasks necessary for the valuation of the real estate for them.

In 2007 the bank began intensive cooperation with all companies in the ČSOB Financial Group and implemented a number of cross-selling projects. The aim of this cooperation is to offer clients a "one-stop shop" through commercial representatives in the regions or branches of ČSOB Bank.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

Employee care

In 2007 ČSOB stavebná sporiteľňa had 109 employees, of whom 83 were women and 26 were men, with an average age of 34 years. We are aware that employees are the bedrock of any company's success. We therefore prepared an extensive range of non-financial benefits for our employees at the end of 2007, including health, recreation and social programmes and product benefits in all companies in the ČSOB Financial Group. We place a great emphasis on ensuring the professional and personal growth of our employees. Personal development programmes focus on the continuous increase in their professional skills and abilities and also so-called "soft-skills" and personality development.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

ERNST & YOUNG

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Slovenská republika

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Fax: +421 2 3333 9222
www.ey.com/sk

Independent Auditor's Report

To the Shareholders of ČSOB stavebná sporiteľňa, a.s.:

We have audited the accompanying financial statements of ČSOB stavebná sporiteľňa, a.s. ("the Bank"), which comprise the balance sheet as at 31 December 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 the auditor's 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, the auditor considers internal controls 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 policies 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

12 May 2008
Bratislava, Slovak Republic

Ernst & Young Slovakia, spol. s r.o.
SKAU Licence No. 257

Ing. Dalimil Draganovský
SKAU Licence No. 893

THIS IS A TRANSLATION OF THE ORIGINAL SLOVAK REPORT

Spoločnosť zo skupiny Ernst & Young Global Limited
Ernst & Young Slovakia, spol. s r.o., IČO: 35 840 463, zapísaná v Obchodnom
registri Okresného súdu Bratislava I, oddiel: Sro, vložka číslo: 27004/B
a v zozname audítorov vedenom Slovenskou komorou audítorov pod č. 257

FINANCIAL STATEMENTS

31 December 2007

In accordance with international financial reporting standards as adopted by the European Union.

ČLEN KBC GROUP

ČSOB
STAVEBNÁ SPORITEĽŇA

INCOME STATEMENT

for the year ended 31 December 2007
(In thousands of Slovak crowns)

ČSOB stavebná sporiteľňa, a.s.

	Note	2007	Reclassified 2006
Interest income	3	321 506	299 201
Interest expense	3	(211 335)	(166 984)
Net interest income		**110 171**	**132 217**
Fee and commission income	4	102 775	103 662
Fee and commission expense	4	(36 410)	(34 527)
Net fee and commission income		**66 365**	**69 135**
Net foreign exchange expense	5	(194)	(146)
Other operating income	6	15 700	12 010
Operating income		**192 042**	**213 216**
Personnel expenses	7	(56 081)	(50 345)
Other operating expenses	8	(59 573)	(52 294)
Depreciation and amortisation		(25 857)	(23 697)
Operating expenses		**(141 511)**	**(126 336)**
Provision for impairment	9	(47 464)	(101 773)
Profit / (Loss) before tax		**3 067**	**(14 893)**
Income tax	10	19 919	0
Profit / (Loss) after tax		**22 986**	**(14 893)**

The notes on upcoming pages form an integral part of these financial statements.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

BALANCE SHEET

as at 31 December 2007

(In thousands of Slovak crowns)

ČSOB stavebná sporiteľňa, a.s.

	Note	2007	2006
Cash and balances with central banks	11	58 509	78 070
Financial assets – available for sale	12	1 723 117	2 307 540
Loans and receivables		3 985 767	3 931 087
Due from banks	13	1 513 361	1 735 441
Due from customers	14	2 472 406	2 195 646
Financial assets – held to maturity	15	673 686	660 384
Income tax asset		0	0
Deferred tax asset	16	23 171	0
Property, plant and equipment	17	7 867	9 860
Intangible assets	18	21 412	24 788
Other assets	19	13 993	4 993
Total assets		**6 507 522**	**7 016 722**
Financial liabilities at amortised cost		5 933 408	6 445 430
Due to banks at amortised cost	20	210 461	210 469
Due to customers at amortised cost	21	5 722 947	6 234 961
Other liabilities	22	59 035	51 012
Provisions	23	295	295
Total liabilities		**5 992 738**	**6 496 737**
Share capital		720 000	720 000
Other capital reserves	24	3 870	3 870
Retained losses		(215 140)	(203 464)
Revaluation of available-for-sale financial assets	25	(16 932)	14 472
Current year profit/(loss)		22 986	(14 893)
Shareholders' equity		**514 784**	**519 985**
Total liabilities and shareholders' equity		**6 507 522**	**7 016 722**

The notes on upcoming pages form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 30 April 2008 and signed on its behalf by:

Ľubomír Kováčik
Chairman of the Board of Directors

Jana Langerová
Member of the Board of Directors

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2007
(In thousands of Slovak crowns)

ČSOB stavebná sporiteľňa, a.s.

	Share capital	Available-for-sale reserve	Other capital reserve	Retained earnings / (losses)	Current year profit / (loss)	Total equity
Balance as at 31 December 2005	**720 000**	**77 407**	**3 642**	**(174 660)**	**(28 576)**	**597 813**
Transfers	0	0	228	(28 804)	28 576	0
Deferred tax asset	0	0	0	0	0	0
Revaluation of available-for-sale financial assets	0	(62 935)	0	0	0	(62 935)
Profit/(Loss) for the year	0	0	0	0	(14 893)	(14 893)
Balance as at 31 December 2006	**720 000**	**14 472**	**3 870**	**(203 464)**	**(14 893)**	**519 985**
Transfers	0	0	0	(14 893)	14 893	0
Deferred tax asset	0	0	0	3 217	0	3 217
Revaluation of available-for-sale financial assets	0	(31 404)	0	0	0	(31 404)
Profit/(Loss) for the year	0	0	0	0	22 986	22 986
Balance as at 31 December 2007	**720 000**	**(16 932)**	**3 870**	**(215 140)**	**22 986**	**514 784**

The notes on upcoming pages form an integral part of these financial statements.

ČLEN KBC GROUP

CASH FLOW STATEMENT

for the year ended 31 December 2007
(In thousands of Slovak crowns)

ČSOB stavebná sporiteľňa, a.s.

	2007	Reclassified 2006
Profit / (Loss) before tax	**3 067**	**(14 893)**
Adjustments for non-monetary operations	**(14 162)**	**(5 224)**
Provisions to receivables from clients	(53 481)	100 789
Receivables written off	124 114	984
Depreciation and amortisation	25 857	23 697
Net loss / (income) from sale of fixed assets	(481)	1 523
Interest income	(321 506)	(299 201)
Interest expense	211 335	166 984
Adjustments for change in working capital	**(660 923)**	**221 618**
Amounts due from banks - (increase) / decrease	221 807	(454 520)
Amounts due from customers - (increase)	(346 098)	(259 488)
Other assets - (increase) / decrease	(9 134)	1 049
Amounts due to customers - increase / (decrease)	(535 522)	927 690
Other liabilities - increase	8 024	6 887
Provisions – increase / (decrease)	0	0
Income tax (paid) / received	(36)	5 471
Interest received	349 912	303 858
Interest paid	(189 129)	(166 863)
Net cash inflow / (outflow) from operating activities	**(511 271)**	**343 967**
Purchase of property, plant and equipment and intangible assets	(20 741)	(18 885)
Sale of property, plant and equipment and intangible assets	734	145
Purchase of financial investments	(1 456 968)	(729 614)
Sales / maturity of financial investments	1 968 685	282 454
Net cash inflow / (outflow) from investing activities	**491 710**	**(465 900)**
Proceeds from borrowings	0	150 000
Net cash inflow / (outflow) from financial activities	**0**	**150 000**
Increase / (decrease) in cash and cash equivalents*	(19 561)	28 067
At beginning of year	**78 070**	**50 003**
Net increase / (decrease) in cash and cash equivalents	(19 561)	28 067
At year-end	**58 509**	**78 070**

*Cash and cash equivalents include cash and balances with central banks.

The notes on upcoming pages form an integral part of these financial statements.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

1. INTRODUCTION

ČSOB stavebná sporiteľňa, a.s. (‘the Bank’) provides construction savings and construction loans. The Bank was established on 8 June 2000 and was registered in the Commercial Register of the District Court, Bratislava I., Section: Sa, File No. 2590/B on 8 November 2000.

The address of the Bank's registered office is as follows:
Radlinského 10
813 23 Bratislava
Slovak Republic

The main purpose of the Bank is activities related to construction savings on the basis of the permission from the National Bank of Slovakia in accordance with Act No. 483/2001 Coll. on Banks as amended and Act No. 310/1992 Coll. on Construction Savings as amended, in accordance with its extract in the Commercial Register.

The Bank is a subsidiary of Československá obchodní banka, a.s. (‘ČSOB’), which controls 100% of its voting shares. The Bank is included within the consolidation of ČSOB; the registered office is at Radlická 333/150, 150 57 Prague 5, the Czech Republic. On 31 December 2007, ČSOB was directly controlled by KBC Bank NV with 100% ownership interest in ČSOB (31 December 2006: 97.44 %). On the same date, KBC Bank NV was controlled by KBC Group NV. Thus, KBC Group NV was the Bank's ultimate parent company.

Registered office of KBC Group NV:
Havenlaan 2
B-1080 Brussels
Belgium

ČLEN KBC GROUP

ČSOB
STAVEBNÁ SPORITEĽŇA

The share capital consists of 1440 ordinary shares with a nominal value of SKK 500 000 (2006: 1440 shares at a nominal value of SKK 500 000). All the share capital has been paid in full.

The Bank does not own any subsidiaries, joint ventures or affiliated undertakings, is not a controlling entity and is not required to prepare the consolidated financial statements.

Members of the Board of Directors of the Bank in 2007 with the date of inception/termination of their membership:

Chairman	Ľubomír Kováčik	from 14 July 2006
Member	Jana Langerová	from 4 October 2006
Member	Martin Čuba	from 1 December 2006

Members of the Supervisory Board of the Bank in 2007 with the date of inception/termination of their membership:

Chairman	Daniel Kollár	from 27 September 2002
Member	Branislav Straka	from 8 August 2006
Member	Jana Jašková	from 14 February 2007

Average number of employees:

31 December 2006	107
31 December 2007	109

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

2. ACCOUNTING POLICIES AND ACCOUNTING METHODS

The principal accounting policies and accounting methods adopted in the preparation of these financial statements are described below.

Statement of compliance

These financial statements are prepared in accordance with the International Financial Reporting Standards adopted by the EU ('IFRS'). IFRS include standards and interpretations approved by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretation Committee ('IFRIC').

Basis of preparation

The financial statements are prepared on the basis of historical cost, with the exception of financial assets held in the available-for-sale portfolio, which are recognized and measured at fair value.

The fair value of financial instruments is equivalent to the market value of those financial instruments traded on an active market. For the determination of the fair value of financial instruments not traded on active markets, the Bank has used a discounted cash flow analysis.

The financial statement balances are expressed in thousands of Slovak crowns (SKK thousand), except where stated otherwise. Negative balances are presented in brackets.

Accounting principles discussed in the following chapters were properly applied for all accounting periods presented in the financial statements.

ČLEN KBC GROUP

ČSOB STAVEBNÁ SPORITEĽŇA

New and revised standards and interpretations

The following new standards and interpretations to existing standards have been published which are mandatory for the accounting periods commencing on 1 January 2008 or later, but which the Bank has not adopted earlier:

- IFRS 8 Operating Segments (effective from 1 January 2009).
- IAS 23 Borrowing Costs – revised (effective from 1 January 2009).
- IFRIC 12 Service Concession Arrangements (effective for annual periods commencing on or after 1 January 2008).
- IFRIC 13 Customer Loyalty Programmes (effective from 1 July 2008).
- IFRIC 14 Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods commencing after 1 January 2008).

The Bank believes that the application and interpretation of the above standards will not have any significant impact on the financial statements.

Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates (the 'functional currency'). The financial statements are presented in Slovak crowns ('SKK'), being the Bank's functional and presentation currency.

Foreign currencies

Transactions denominated in foreign currencies are recorded in Slovak crowns at the exchange rates prevailing on the date of the transaction: gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. The balances of monetary assets and liabilities are translated at the year-end exchange rates and any unrealized gains and losses arising are recognized in the income statement.

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Exchange differences are reported in the income statement in 'Net foreign exchange expense'.

Post balance sheet events

The effects of events occurring between the balance sheet date and the date of the financial statements' preparation have been recognized in the financial statements if the events provide corroboration of the events existing as at the balance sheet date.

Should there be any significant events subsequent to the balance sheet date but prior to the date of the preparation of financial statements indicative of matters occurring after the balance sheet date, these events are disclosed in the Notes but are not recognized in the financial statements.

Significant accounting estimates and judgments

Estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions with influence on the carrying amounts of assets and liabilities and contingent assets and liabilities as at the balance sheet date and the recognized revenues and expenses for the accounting period. Although the estimates made by the Bank's management are based on their best knowledge of current conditions, the actual results may differ from such estimates. The most significant estimates relate to provisions for receivables, the depreciation period and net book values of non-current tangible and intangible assets, losses from impairment of non-current tangible and intangible assets, provisions for litigations and provisions for interest benefit.

In 2007, the estimate for the creation of the provisions for interest benefit was reassessed based on the development of the actual creation and the use of the provision. The Bank changed its 2006 estimate for the creation of the provision needed to cover the exercised title for interest benefit from 40% to 100% in 2007. The amount of the provision amounted to SKK 45 million as at 31 December 2007 (SKK 23 million as at 31 December 2006).

Judgments

In the process of applying the Bank's accounting methods, the management has also made judgments, besides those involving estimates, which have significant effects on the amounts recognized in the financial statements.

The most significant judgments relate to the classification of financial instruments and the deferred tax.

As at 31 December 2007, the Bank recognized a deferred tax asset since it estimates that adequate tax bases will be achieved at a future date, against which it will be settled. As at 31 December 2006, the deferred tax asset was not recognized due to its uncertain recoverability.

FINANCIAL ASSETS

Financial assets are recognized as at the date of settlement of purchase or sale. The Bank holds the following financial assets:

- cash and cash balances with central banks,
- available-for-sale financial assets,
- loans and receivables,
- held-to-maturity financial assets.

At their initial valuation, financial assets are valued at fair value, which also includes transaction costs. Interest income earned on financial assets is accrued using the effective interest rate method and recognized in the income statement as 'Interest income'.

Financial assets are no longer recognized on the balance sheet in the following cases:

- rights to receive cash flows from the financial assets have lapsed;
- the Bank has transferred its rights to receive cash flows from the asset to a third party or has assumed an obligation to transfer the cash flows collected to a third party (pass-through arrangement);
- the Bank has substantially transferred all the risks and rewards contingent upon the asset or the Bank has not substantially transferred all the risks and rewards contingent upon the asset, but has transferred the control of the asset.

Cash and cash balances with central banks

Cash and balances with central banks consist of balances on the account of the mandatory minimum reserves with the National Bank of Slovakia ('NBS'). These assets are measured at amortised cost less any impairment losses. The amortised cost is the value of the asset at acquisition adjusted for the repayments of the principal, accrued interest and discount/premium using the effective interest rate method. The amortisation of the discount/premium is recognized in the income statement in 'Interest income'. In 2007, the Bank accounted for no cash in hand.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are not categorized as financial assets at fair value through profit or loss, or loans and receivables or financial assets held-to-maturity.

Available-for-sale financial assets are measured at fair value in the financial statements. Unrealized gains and losses resulting from changes in fair values of available-for-sale financial assets are recognized in the Bank's equity.

The fair value of assets for which an active market exists and a market value may be reliably estimated is determined based on market prices quoted on the stock exchange. In circumstances where no market values are available, fair value is estimated using the present value of future cash flows.

For available-for-sale financial assets, the Bank assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded in the income statement. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

Loans and receivables

Due from banks

Amounts due from banks represent current accounts and term deposits in other banks.

Loans from banks represent loans provided under agreements to purchase and resell ('reverse repo transactions'). Securities purchased based on these agreements are recorded off balance sheet.

Amounts due from banks are stated at amortised cost including interest accruals less any impairment losses.

Amounts due from banks are subject to periodic impairment testing. An impairment loss for amounts due from banks is recognized if the carrying amount is greater than the estimated recoverable amount. The recoverable amount is the present value of expected future cash flows, including amounts recoverable from guarantees and collaterals, discounted on the basis of the loan's original effective interest rate. The change of the amount of the impairment loss is recognized in the income statement.

Due from customers

Amounts due from customers are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on an active market or that the Bank does not plan to sell in the short-term. Amounts due from customers are valued at amortised cost less any impairment losses. Amortised cost is the value of the asset at acquisition adjusted for the repayments of the principal, accrued interest and discount/premium using the effective interest rate method. The amortisation of the discount/premium is reported in the income statement under 'Interest income'. All amounts due from customers are recognized on the balance sheet when the cash is advanced to borrowers.

Amounts due from customers are subject to periodic impairment testing. An impairment loss for a loan or a group of similar loans is recognized if their carrying amount is greater than their estimated recoverable amount. The recoverable amount is the present value of expected future cash flows, including amounts recoverable from guarantees and collaterals, discounted on the basis of the loan's original effective interest rate. The change of the amount of the impairment loss is recognized in the income statement.

The impairment loss is measured individually for loans that are individually significant. The impairment loss for a group of similar loans that are not individually identified as impaired is measured on a portfolio basis.

The Bank writes off loss loans when there is no realistic prospect of their future recovery and all collateral has been realized. Loans are written off against the reversal of the related impairment losses. Any subsequent recoveries are credited to the income statement on receipt.

Amounts due from customers, as the major item in the financial instruments category, are subdivided into the following classes:
- loans to individuals
- loans to legal entities.

Held-to-maturity financial assets
Held-to-maturity financial assets are securities with fixed or determinable payments and maturities where the Bank has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are recognized at amortised cost less any impairment losses. Amortised cost is the value of the investment at acquisition adjusted for the repayments of the principal, accrued interest and discount/

premium using the effective interest rate method. The amortisation of the discount/premium is reported in the income statement in 'Interest income'.

The Bank performs regular testing to assess whether there is objective evidence that the held-to-maturity financial assets are not impaired. The value of the financial assets is decreased if their carrying value is greater than their estimated realizable value.

Property, plant and equipment

All property, plant and equipment are recorded at acquisition cost less accumulated depreciation and any impairment losses. The acquisition cost includes the cost of acquisition and other related acquisition costs, such as transportation, customs or commissions. Costs incurred in extension, modernisation or reconstruction, which enhance productivity, capacity or efficiency are capitalised.

Depreciation is calculated using the straight-line method to write off the acquisition cost of each asset less its residual value over its estimated useful life, as follows:

Buildings		20 years
Office equipment	(furniture)	6 years
Office equipment	(hardware)	4 years
Leased assets	(motor vehicles)	4 years

The useful lives of assets and depreciation methods are reviewed at least once a year for the purpose of ensuring consistency between the depreciation method and the expected useful life with the anticipated economic benefit associated with the long-term tangible assets.

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Property, plant and equipment are reviewed annually for impairment. An impairment loss is recognized in the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the greater of the asset's net selling price or its value in use. For assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Gains and losses on the disposal of assets are reported in 'Other operating income/expense'.

Intangible assets

Intangible assets are recorded at acquisition cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised using the straight-line method over their estimated useful life of 5 years.

Expenditure which enhances and extends the benefits of computer software beyond the original specifications and useful lives is recognized as technical appreciation and is added to the original cost of the software. Costs associated with the maintenance of existing computer software are expensed as incurred.

Intangible assets are reviewed annually for impairment. An impairment loss is recognized for the amount by which the carrying amount of an asset exceeds its recoverable amount, which is the greater of the asset's net selling price or its value in use.

Gains and losses on the disposal of assets are reported in 'Other operating income/expense'.

Financial liabilities at amortised cost

Due to banks

Amounts due to banks represent loans from other banks. The financial liability is initially recognized at fair value and subsequently measured at amortised cost. The Bank uses settlement date accounting for the recognition and de-recognition of financial liabilities.

Due to customers

Amounts due to customers represent deposit accounts from construction savings customers. The liability is initially recognized at fair value plus any directly attributable incremental costs of acquisition and subsequently measured at amortised cost. The Bank uses settlement date accounting for the recognition and de-recognition of financial liabilities.

Leases

The determination of whether an arrangement is a lease or contains a lease is based on the substance of the arrangement and requires an assessment at the inception date of whether the fulfilment of the agreement is dependent on the use of the specific asset or the agreement conveys a right to use the asset.

Finance leases, which transfer to the Bank substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments and included in "Property, plant and equipment" with the corresponding liability to the lessor included in "Other liabilities". Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income in "Interest expense".

Operation lease payments are not recognized in the balance sheet. Any rentals payable are accounted for on a straight-line basis over the lease term and included in "Other operating expenses".

Provisions

Provisions are recognized when the Bank has a current obligation, whether legal or constructive, as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Interest income and expense

Interest income and expense is recognized in the income statement on an accrual basis by using the effective interest rate method. Interest income and expense includes the amortisation of the discount or premium on financial instruments. Interest income also includes fees received at the provision of a loan, which are subject to the effective interest rate calculation and are amortised over the life of the loan.

Fee and commission income and expense

Fee and commission income arises on financial services provided by the Bank, including account maintenance, cash management services, brokerage services, investment advisory and financial planning, investment banking services, project finance transactions and asset management services. Fee and commission income is recognized on the date of the provision of the respective service. However, for loans which will be probably drawn, the fee received at the provision of the loans is recognized as an adjustment to the effective loan interest rate (amortisation of loan fees) and reported as 'Interest income'.

Foreign exchange expense

Foreign exchange expense includes the result of all foreign currency transactions.

Income taxes

Deferred tax assets and liabilities are provided, using the balance sheet method, for all temporary differences arising between the tax bases of assets or liabilities and their carrying values. Deferred tax assets and liabilities are valued at the tax rates, which are expected to be applicable in the years when these temporary differences will be utilised. Deferred tax relating to items revalued in equity is recognized within equity and therefore it is not included in the income statement.

Deferred tax assets are recognized only where it is probable that adequate tax bases will be achieved at a future date, against which they may be settled. Deferred tax assets and liabilities are not discounted.

The Bank is also subject to various indirect operating taxes which are included in 'Other operating expenses'.

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PERIOD COMPARABILITY

Reconciliation of items of the Income Statement for the year ending 31 December 2006:

(In thousands of Slovak crowns)	Issued in 2006	1.	2.	3.	4.	5.	Reclassi fied in 2006
Interest expense	(166 723)	(261)	0	0	0	0	(166 984)
Fee and commission income	106 296	0	7 071	(9 705)	0	0	103 662
Fee and commission expense	(34 788)	261	0	0	0	0	(34 527)
Other operating income	20 464	0	(7 071)	0	(1 383)	0	12 010
Other operating expenses	(63 322)	0	0	9 705	1 383	(60)	(52 294)
Provision for impairment	(101 833)	0	0	0	0	60	(101 773)

1. Reclassification of paid interest benefit – from fee and commission expenses to interest expense.

2.-3. Reclassification of insurance (from loan insurance) collected from clients and, simultaneously, transfer of loan insurance expense to fee and commission income.

4. Reclassification of expenses related to the transfer of fixed assets to the caption where proceeds of the respective sale are also classified.

5. Reclassification of other provisions not related to loans (provisions for future commissions) to other operating expenses.

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3. INTEREST INCOME AND INTEREST EXPENSE

(In thousands of Slovak crowns)	2007	Reclassified 2006
Interest received from central bank	61 211	36 992
Interest received from other banks	19 050	12 521
Interest from loans granted to customers	148 730	132 636
Interest on securities	92 515	117 052
- financial assets held-for-sale	86 310	110 692
- financial assets held-to-maturity	6 205	6 360
Total interest income	**321 506**	**299 201**
Interest paid to banks	(12 118)	(3 862)
Interest from customer deposits	(176 957)	(158 350)
Other interest expense	(22 260)	(4 772)
Total interest expense	**(211 335)**	**(166 984)**
Net interest income	**110 171**	**132 217**

4. FEE AND COMMISSION INCOME AND EXPENSE

(In thousands of Slovak crowns)	2007	Reclassified 2006
Fees received – customer deposits	79 048	86 144
Fees received – loans granted to customers	23 727	17 518
Total fee and commission income	**102 775**	**103 662**
Fees and commissions paid – customer deposits	(8 178)	(11 302)
Fees and commissions paid – loans granted to customers	(9 241)	(1 302)
Securities expenses	(269)	(380)
Fees paid – other	(18 722)	(21 543)
Total fee and commission expense	**(36 410)**	**(34 527)**
Net fee and commission income	**66 365**	**69 135**

Fees paid – other includes the contribution of SKK 11 617 thousand to Guarantee Fund deposits in accordance with Act No. 118/1996 Coll. for the accounting period 2007 (SKK 10 814 thousand in 2006).

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5. NET FOREIGN EXCHANGE EXPENSE

(In thousands of Slovak crowns)	2007	2006
Foreign exchange gains	20	28
Foreign exchange losses	(214)	(174)
Total	**(194)**	**(146)**

6. OTHER OPERATING INCOME

(In thousands of Slovak crowns)	2007	Reclassified 2006
Gain from sale of tangible and intangible assets	481	(1 238)
Income from securities operations	11 280	6 555
Other operating income	3 939	6 693
- of which, rebates	2 939	2 071
Total	**15 700**	**12 010**

Income from securities operations comprises also income from the sale of securities from the available-for-sale portfolio, which is part of the Bank's Book.

7. PERSONNEL EXPENSES

(In thousands of Slovak crowns)	2007	2006
Personnel expenses,	(44 019)	(38 705)
- of which, bonuses to statutory and supervisory bodies	(960)	(1 100)
Social expenses	(12 062)	(11 640)
Total	**(56 081)**	**(50 345)**

The Bank provides its employees with the voluntary third pillar pension scheme, which is a supplementary voluntary pension scheme.

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Monthly contribution of the Bank for employees with a fixed-term employment contract and the monthly contribution of these employees:

Monthly employer contribution (in SKK)	Monthly employee contribution (in SKK)
100	400
200	500
300	600

Monthly contribution of the Bank for employees with a permanent employment contract and the monthly contribution of these employees:

Monthly employer contribution (in SKK)	Monthly employee contribution (in SKK)
200	400
400	600
600	1 000

Monthly contribution of the Bank for managers under the direct control of the Board of Directors and the monthly contribution of these employees:

Employer contribution	Employee contribution
3% of salary	2% of salary

8. OTHER OPERATING EXPENSES

(In thousands of Slovak crowns)	2007	Reclassified 2006
Telecommunication fees and postage	(4 236)	(6 097)
Information technologies	(7 669)	(7 798)
Administration	(3 249)	(3 877)
Representation and travel costs	(644)	(494)
Technical services	(2 449)	(1 325)
Education	(1 039)	(536)
Vehicle	(1 481)	(1 635)
Insurance	(261)	(657)
Printed forms	(106)	(147)
Advertising, marketing, sponsoring	(9 217)	(7 056)
Rent	(11 821)	(13 100)
Energies	(281)	(510)
Repairs and maintenance	(498)	(666)
Taxes and fees	(269)	(1 130)
Un-invoiced supplies and services	(7 602)	(779)
Unclaimed VAT	(5 590)	(5 076)
Debt collection expenses	(2 109)	(350)
Other	(1 052)	(1 061)
Other operating expenses total	**(59 573)**	**(52 294)**

9. PROVISION FOR IMPAIRMENT

(In thousands of Slovak crowns)	2007	Reclassified 2006
Written-off receivables	(124 114)	(984)
Net creation of provision for receivables	53 481	(100 789)
Income from ceded receivables	23 169	0
Total	**(47 464)**	**(101 773)**

Movements in provisions for due from customers (individuals):

(In thousands of Slovak crowns)	Creation/release of provisions on an individual basis	Creation/release of provisions on a portfolio basis	Total
Opening balance as at 1 January 2006	**(24 405)**	**(36 725)**	**(61 130)**
- net creation of provision	(48 210)	(51 595)	(99 805)
- written off receivables	(1 268)	0	(1 268)
- income from written-off receivables	284	0	284
Closing balance as at 31 December 2006	**(73 599)**	**(88 320)**	**(161 919)**
- net creation of provision	143 005	11 421	154 426
- written off receivables	(124 114)	0	(124 114)
- income from written-off receivables	23 169	0	23 169
Closing balance as at 31 December 2007	**(31 539)**	**(76 899)**	**(108 438)**

10. INCOME TAX

The Bank submitted its income tax return for 2007 by 31 March 2008.

(In thousands of Slovak crowns)	2007	2006
Income tax expense	0	0
Deferred tax income	19 919	0
Total	**19 919**	**0**

The income tax on the Bank's profit before tax differs from the theoretical amount that would arise using the valid tax rate as follows:

(In thousands of Slovak crowns)	2007	2006
Profit/(Loss) before tax	3 067	(14 893)
Tax rate	19%	19%
Theoretical tax	583	(2 830)
Impact of tax non-deductible items – permanent differences	15 597	678
Impact of tax deductible items – permanent differences	(9 453)	(2 720)
Impact of amortisation of tax loss from prior periods – deferred tax asset not previously recorded	6 727	0
Deferred tax asset recognized with respect to temporary differences, not previously recorded	(19 919)	0
Impact of unrecognized deferred tax receivable	0	4 872
Tax expense / (income) recorded	(19 919)	0

11. CASH AND BALANCES WITH CENTRAL BANKS

(In thousands of Slovak crowns)	**2007**	**2006**
Mandatory minimum reserves	58 509	78 070
Total	**58 509**	**78 070**

In 2007, the Bank maintained the balance of mandatory minimum reserves in accordance with the NBS regulation. NBS paid interest on the mandatory minimum reserves of 1.5% p.a. in 2007 and 2006.

12. FINANCIAL ASSETS – AVAILABLE FOR SALE

(In thousands of Slovak crowns)	**2007**	**2006**
State bonds without coupon	248 040	591 318
State bonds with coupon	1 123 055	1 360 485
Bonds issued by commercial banks	352 022	355 737
Total	**1 723 117**	**2 307 540**

As at 31 December 2007, the average interest rate on financial assets – available for sale was 4.38% p.a. (as at 31 December 2006: 4.39% p.a.).

13. DUE FROM BANKS

(In thousands of Slovak crowns)	2007	2006
Due from banks on demand	12 707	29 320
Other receivables from banks	1 500 654	1 706 121
- of which, loans granted to central bank (REPO transactions)	1 080 225	1 243 576
- of which, term deposits	420 429	462 545
Total	**1 513 361**	**1 735 441**

As at 31 December 2007, the average interest rate on amounts due from banks was 4.1% p.a. (as at 31 December 2006: 4.6% p.a.).

14. DUE FROM CUSTOMERS

Structure of loans and receivables by types and debtors:

(In thousands of Slovak crowns)	2007	2006
Construction loans and bridge loans – individuals	2 439 544	2 306 414
Construction loans and bridge loans – entities	139 479	48 561
Total loans (gross)	2 579 023	2 354 975
Other receivables from customers	1 821	2 590
Total due from customers (gross)	**2 580 844**	**2 357 565**
Provision for receivables from customers	**(108 438)**	**(161 919)**
Total due from customers (net)	**2 472 406**	**2 195 646**

As at 31 December 2007, the average interest rate on loans to customers was 5.2% p.a. (as at 31 December 2006: 4.8% p.a.).

15. FINANCIAL ASSETS – HELD TO MATURITY

(In thousands of Slovak crowns)	2007	2006
State bonds without coupon	0	289 663
State bonds with coupon	216 301	221 621
State bonds issued by NBS without coupon	457 385	149 100
Total	**673 686**	**660 384**

As at 31 December 2007, the average interest rate on financial assets held to maturity was 3.8% p.a. (as at 31 December 2006: 3.5% p.a.).

16. DEFERRED TAX ASSET

Deferred income tax is calculated on all temporary differences arising under the balance sheet method. The calculation of the deferred tax in 2007 was performed using the valid tax rate of 19% (2006: 19%).

(In thousands of Slovak crowns)	2007	2006
Tax rate	19%	19%
Deferred tax asset:		
Provisions to receivables	0	16
Amortisation of upfront fees	5 249	5 399
Contingent amounts (unpaid balances)	0	432
Provisions	9 896	4 798
Available-for-sale securities (revaluation to fair value)	3 217	0
Non-amortised tax loss from previous periods*	4 963	7 788
Deferred tax asset	**23 325**	**18 433**
Deferred tax liability:		
Tangibles	(77)	(67)
Reserves on standard receivables and standard with objection	(77)	(153)
Available-for-sale securities (revaluation reserve)	0	(2 750)
Deferred tax liability	**(154)**	**(2 970)**
Net deferred tax asset	23 171	15 463
- impaired tax asset	0	(15 463)
Total deferred tax asset	**23 171**	**0**
- of which recognized in revenues	(19 954)	0
- of which recognized in equity	(3 217)	0

*Non-amortised tax loss can be used until 2011.

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17. PROPERTY, PLANT AND EQUIPMENT

Additions and disposals of tangible assets in 2007 (in thousands of Slovak crowns):

Acquisition cost	Buildings	Leased assets*	Other tangibles	Acquisition of tangibles	Total
1 January 2007	**3 078**	**2 497**	**41 508**	**0**	**47 083**
Additions	172	0	1 585	1 537	3 294
Disposals	0	(569)	(6 994)	(1 537)	(9 100)
31 December 2007	**3 250**	**1 928**	**36 099**	**0**	**41 277**
Accumulated depreciation					
1 January 2007	**(727)**	**(1 432)**	**(35 064)**	**0**	**(37 223)**
Additions	(160)	(725)	(1 647)	0	(2 532)
Disposals	0	569	5 776	0	6 345
31 December 2007	**(887)**	**(1 588)**	**(30 935)**	**0**	**(33 410)**
Net book value					
31 December 2006	**2 351**	**1 065**	**6 444**	**0**	**9 860**
31 December 2007	**2 363**	**340**	**5 164**	**0**	**7 867**

*Lease assets include motor vehicles.

Additions and disposals of tangible assets in 2006 (in thousands of Slovak crowns):

Acquisition cost	Buildings	Leased assets*	Other tangibles	Acquisition of tan-gibles	Total
1 January 2006	**3 078**	**4 704**	**41 935**	**1 254**	**50 971**
Additions	0	0	5 571	4 132	9 703
Disposals	0	(2 207)	(5 998)	(5 386)	(13 591)
31 December 2006	**3 078**	**2 497**	**41 508**	**0**	**47 083**
Accumulated depreciation					
1 January 2006	**(572)**	**(1 378)**	**(38 447)**	**0**	**(40 397)**
Additions	(154)	(994)	(2 315)	0	(3 463)
Disposals	0	940	5 697	0	6 637
31 December 2006	**(726)**	**(1 432)**	**(35 065)**	**0**	**(37 223)**
Net book value					
31 December 2005	**2 506**	**3 326**	**3 488**	**1 254**	**10 574**
31 December 2006	**2 352**	**1 065**	**6 443**	**0**	**9 860**

*Lease assets include motor vehicles.

18. INTANGIBLE ASSETS

Additions and disposals of intangible assets in 2007 (in thousands of Slovak crowns):

Acquisition cost	Software	Acquisition of intangibles	Total
1 January 2007	120 304	0	120 304
Additions	11 304	19 255	30 559
Disposals	(655)	(9 955)	(10 610)
31 December 2007	130 953	9 300	140 253
Accumulated depreciation			
1 January 2007	(95 516)	0	(95 516)
Additions	(23 325)	0	(23 325)
Disposals	0	0	0
31 December 2007	(118 841)	0	(118 841)
Net book value			
31 December 2006	24 788	0	24 788
31 December 2007	12 112	9 300	21 412

Additions and disposals of intangible assets in 2006 (in thousands of Slovak crowns):

Acquisition cost	Software	Acquisition of intangibles	Total
1 January 2006	103 500	2 337	105 837
Additions	16 804	14 468	31 272
Disposals	0	(16 805)	(16 805)
31 December 2006	120 304	0	120 304
Accumulated depreciation			
1 January 2006	(75 282)	0	(75 282)
Additions	(20 234)	0	(20 234)
Disposals	0	0	0
31 December 2006	(95 516)	0	(95 516)
Net book value			
31 December 2005	28 218	2 337	30 555
31 December 2006	24 788	0	24 788

19. OTHER ASSETS

(In thousands of Slovak crowns)	2007	2006
Other debtors	12 610	668
Operational advances	1 381	2 696
Settlement with state budget	0	1
Deferred expense and income	549	1 060
Inventory	0	997
Other	3	0
Provision for other receivables	**(550)**	**(429)**
Total	**13 993**	**4 993**

20. DUE TO BANKS – SUBORDINATED DEBT

(In thousands of Slovak crowns)	2007	2006
Loans received from banks	210 000	210 000
Accrued interest from received loans	461	469
Total	**210 461**	**210 469**

The Bank received loans from its parent company Československá obchodní banka, a.s. registered in Prague with subordinated conditions:

- in 2002 – a loan of SKK 60 million due in 2008 with an interest rate of 6.15% p.a.
- in 2006 – a loan of SKK 150 million due in 2016 with an interest rate stated as average BID and OFFER of 3M BRIBOR + margin of 1.10% p.a.

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21. DUE TO CUSTOMERS

(In thousands of Slovak crowns)	2007	2006
Deposits from clients	5 679 884	6 189 228
Other liabilities toward clients	43 063	45 733
Total	**5 722 947**	**6 234 961**

'Due to customers' comprise construction saving deposits from clients. Deposits include interest and state premium denominated in the Slovak currency.

As at 31 December 2007, the average interest rate on amounts due to customers was 2.7% p.a. (as at 31 December 2006: 2.8%).

22. OTHER LIABILITIES

(In thousands of Slovak crowns)	2007	2006
Financial lease liabilities	305	883
Other creditors	5 369	7 128
Employees' liabilities	2 476	2 362
Settlement with state budget	28 745	30 526
- of which, withholding tax on interest of clients	26 961	28 935
Settlement with social security institutions	1 366	1 248
Accrued expenses	20 764	8 854
Other liabilities	10	11
Total	**59 035**	**51 012**

Accrued expenses include accruals for unpaid salary, unspent vacation and un-invoiced deliveries. Withholding tax payable relates to income tax from the interest expense credited to customers' accounts.

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23. PROVISIONS

(In thousands of Slovak crowns)	2007	2006
Provisions – open legal cases	295	295
Total	**295**	**295**

(In thousands of Slovak crowns)	2007	2006
Opening balance as at 1 January	**295**	**295**
Creation	0	0
Release	0	0
Closing balance as at 31 December	**295**	**295**

24. OTHER CAPITAL RESERVES

(In thousands of Slovak crowns)	2007	2006
Legal reserve fund	3 870	3 870

The legal reserve fund can only be used in accordance with the law – for settling of losses of the Bank or for measures needed to overcome an unfavourable development of the Bank.

25. REVALUATION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

(In thousands of Slovak crowns)	2007	2006
Revaluation differences – state bonds	(20 960)	6 707
Revaluation differences – bonds issued by commercial banks	4 028	7 765
Total	**(16 932)**	**14 472**

26. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Bank's activities expose it to a variety of financial risks, including the effects of fluctuations of interest rates. The Bank's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise

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any potential adverse effects on the financial performance of the Bank. The policy applied to risk management is in line with the policy of the KBC Group.

Credit risk

The Bank has no significant concentrations of credit risk in respect of loans to individuals. There is an ongoing monitoring and evaluation of the given risk for this portfolio. The Bank structures the levels of credit risk it undertakes from loans to entities and receivables from banks by placing limits on the amount of risk accepted in relation to a single debtor or group of debtors. These risks are monitored on a regular basis and are subject to review based on information received.

The Bank has policies in place upon the sale of financial products to ensure that financial resources are provided to clients with reasonable credibility.

When recognizing the impairment on a portfolio basis, the Bank uses the parent company's methodology applied on its own historical data.

For debt collection, the Bank uses a wide range of recovery tools and strategies. Out-of-court and court recovery procedures are ensured by internal as well as external resources.

To secure future cash flows from loans granted to its clients, the Bank uses different types of collateral:

1. Loans granted to individuals – secured by real estate, guarantor, restricted cash deposits, etc.
2. Loans granted to legal entities – secured by real estate, receivables under lien, guarantees provided by Slovenská záručná a rozvojová banka, a.s., etc.

Real estate accepted as collateral in respect of loans provided is regularly revalued by specialist experts.

Loans by impairment

Below is a summary of the classification of receivables by impairment for individuals and legal entities, in thousands of Slovak crowns. The Bank records loans to legal entities under 'Loans within maturity, non-impaired'.

	2007	2006
Non-impaired loans	**2 468 719**	**2 189 012**
- loans within maturity, non-impaired	2 319 632	2 022 013
- loans overdue, non-impaired	149 087	166 999
Impaired loans	**137 933**	**194 379**
- assessed on a portfolio basis	102 864	118 495
- assessed on an individual basis	35 069	75 884

The table does not include data on the volume of other receivables from clients and on the volume of amortised fees, which in 2007 totalled SKK (25 808) thousand (2006: SKK (25 826) thousand).

Loans within maturity with no impairment

The group of loans in the category non-impaired and within maturity is divided by collateral, which provides a perspective on the quality of the clients' loan portfolio:

Loans within maturity with no impairment by collateral as at 31 December 2007 (in thousands of SKK)	Construction loans and bridge loans provided to	
	individuals	legal entities
- secured by real estate	505 669	0
- secured by guarantor's liabilities	725 394	0
- secured otherwise	2 960	139 479
- unsecured	946 130	0

Loans within maturity with no impairment by collateral as at 31 December 2007 (in thousands of SKK)	Construction loans and bridge loans provided to	
	individuals	legal entities
- secured by real estate	347 973	0
- secured by guarantor's liabilities	864 610	0
- secured otherwise	2 599	48 561
- unsecured	758 270	0

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Loans overdue with no impairment

Overdue loans with no impairment are overdue as follows:

Loans overdue with no impairment as at 31 December 2007 (in thousands of SKK)	overdue within 30 days	overdue from 31 to 90 days	overdue from 91 to 180 days	overdue from 181 to 360 days	overdue for more than 360 days
Construction loans and bridge loans – individuals	92 492	56 443	152	0	0
Construction loans and bridge loans – legal entities	0	0	0	0	0

Loans overdue with no impairment as at 31 December 2006 (in thousands of SKK)	overdue within 30 days	overdue from 31 to 90 days	overdue from 91 to 180 days	overdue from 181 to 360 days	overdue for more than 360 days
Construction loans and bridge loans – individuals	113 585	53 414	0	0	0
Construction loans and bridge loans – legal entities	0	0	0	0	0

Loans are secured using the following types of collateral:

Loans overdue with no impairment by collateral as at 31 December 2007 (in thousands of SKK)	Construction loans and bridge loans provided to individuals	legal entities
- secured by real estate	35 419	0
- secured by guarantor's liabilities	58 116	0
- secured otherwise	0	0
- unsecured	55 552	0

Loans overdue with no impairment by collateral as at 31 December 2006 (in thousands of SKK)	Construction loans and bridge loans provided to individuals	legal entities
- secured by real estate	31 746	0
- secured by guarantor's liabilities	70 764	0
- secured otherwise	0	0
- unsecured	64 489	0

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Impaired loans

Impaired loans are overdue as follows:

Loans impaired as at 31 December 2007 (in thousands of SKK)	Loan impairment assessed on portfolio basis	Loan impairment assessed on individual basis
Construction loans and bridge loans to individuals	**102 864**	**35 069**
No default	6 748	0
Overdue for less than 30 days	175	1
Overdue from 31 to 90 days	68 690	3 664
Overdue from 91 to 180 days	4 247	0
Overdue from 181 to 360 days	23 004	15 084
Overdue for more than 360 days	0	16 320

Loans impaired as at 31 December 2006 (in thousands of SKK)	Loan impairment assessed on portfolio basis	Loan impairment assessed on individual basis
Construction loans and bridge loans to individuals	**118 495**	**75 884**
No default	1 598	1 217
Overdue for less than 30 days	146	41
Overdue from 31 to 90 days	59 741	26 873
Overdue from 91 to 180 days	20 518	0
Overdue from 181 to 360 days	36 492	22 816
Overdue for more than 360 days	0	24 937

The following table shows the types of collateral for impaired loans:

Impaired loans by collateral as at 31 December 2007 (in thousands of SKK)	Loan impairment assessed on portfolio basis	Loan impairment assessed on individual basis
Construction loans and bridge loans to individuals	**102 864**	**35 069**
- secured by real estate	14 246	3 797
- secured by guarantor's liabilities	43 637	14 585
- secured otherwise	0	48
- unsecured	44 981	16 639

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Impaired loans by collateral as at 31 December 2006 (in thousands of SKK)	Loan impairment assessed on portfolio basis	Loan impairment assessed on individual basis
Construction loans and bridge loans to individuals	**118 495**	**75 884**
- secured by real estate	5 153	2 583
- secured by guarantor's liabilities	51 323	36 357
- secured otherwise	0	44
- unsecured	62 019	36 900

LIQUIDITY RISK

The Bank manages the appropriate levels of liquidity, i.e. the ability to settle its financial liabilities on time and its assets and liabilities in line with the approved liquidity management strategy in order to maintain permanent solvency. Significant events in liquidity risk management are discussed on a regular basis.

Liquidity is managed on a daily basis. For strategic liquidity management, the Bank uses scenarios with different assumptions of liquidity evolution and it monitors the prescribed limits. In the event of liquidity problems, the Bank has prepared an emergency plan for liquidity management.

The table below shows an analysis of assets and liabilities by due date, with the balances of undiscounted contractual cash-flows.

As at 31 December 2007 (in thousands of Slovak crowns)	On demand	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non specified	Total
Due to banks	0	2 016	69 792	32 362	182 362	0	286 532
Due to customers	2 329 321	247	1 639 904	1 701 575	113 072	40 312	5 824 430
Other liabilities	0	9 807	0	0	0	28 159	37 966
Total liabilities	**2 329 321**	**12 070**	**1 709 695**	**1 733 937**	**295 434**	**68 471**	**6 148 927**

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As at 31 December 2006 (in thousands of Slovak crowns)	On demand	Up to 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non specified	Total
Due to banks	0	2 145	10 245	98 524	193 548	0	304 462
Due to customers	1 355 072	184	2 189 307	2 792 059	62 911	41 044	6 440 577
Other liabilities	0	41 179	0	0	0	95	41 274
Total liabilities	1 355 072	43 508	2 199 552	2 890 583	256 459	41 139	6 786 313

The table below shows an analysis of assets and liabilities according to the due date from the balance sheet date to the expected maturity date.

As at 31 December 2007	Up to 1 month	1 – 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-specified	Total
Assets							
Due from banks and					1		
cash and balances with central banks	1 291 450	70 128	60 292	0	50 000	0	1 571 870
Due from customers	57 230	79 004	519 271	1 402 453	372 708	41 740	2 472 406
Financial assets – available for sale and held to maturity	104 510	830 624	179 559	637 589	644 521	0	2 396 803
Property, plant and equipment	0	0	0	0	0	7 867	7 867
Intangible assets	0	0	0	0	0	21 412	21 412
Other assets	12 242	430	509	65	0	23 918	37 164
Total assets	**1 465 432**	**980 186**	**759 631**	**2 040 107**	**1 167 229**	**94 937**	**6 507 522**
Liabilities							
Due to banks	0	112	60 349	0	150 000	0	210 461
Due to customers	2 416 049	225 838	1 032 795	1 827 442	135 390	85 433	5 722 947
Other liabilities	9 906	0	207	0	0	48 922	59 035
Provisions	0	0	0	0	0	295	295
Total liabilities	**2 425 955**	**225 950**	**1 093 351**	**1 827 442**	**285 390**	**134 650**	**5 992 738**
Total net position	**(960 523)**	**754 236**	**(333 720)**	**212 665**	**881 839**	**(39 713)**	**514 784**

As at 31 December 2006	Up to 1 month	1 – 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-specified	Total
Assets							
Due from banks and cash and balances with central banks	1 603 121	98	292	60 000	150 000	0	1 813 511
Due from customers	47 734	75 025	273 071	1 568 639	154 762	76 415	2 195 646
Financial assets – available for sale and held to maturity	644 190	189 718	23 747	1 507 743	602 526	0	2 967 924
Property, plant and equipment	0	0	0	0	0	9 860	9 860
Intangible assets	0	0	0	0	0	24 788	24 788
Other assets	170	563	1 046	676	0	2 538	4 993
Total assets	**2 295 215**	**265 404**	**298 156**	**3 137 058**	**907 288**	**113 601**	**7 016 722**
Liabilities							
Due to banks	0	121	348	60 000	150 000	0	210 469
Due to customers	1 396 748	273 348	1 476 893	2 897 261	122 072	68 639	6 234 961
Other liabilities	41 297	0	369	396	0	8 950	51 012
Provisions	0	0	0	0	0	295	295
Total liabilities	**1 438 045**	**273 469**	**1 477 610**	**2 957 657**	**272 072**	**77 884**	**6 496 737**
Total net position	**857 170**	**(8 065)**	**(1 179 454)**	**179 401**	**635 216**	**35 717**	**519 985**

MARKET RISK

Foreign exchange risk

The Bank is not licensed for foreign exchange trading. As at 31 December 2007, the Bank did not have assets or liabilities in foreign currency.

Interest rate risk

In accordance with the strategy approved for interest rate risk management, the Bank uses the GAP analysis supplemented by an internal model for interest rate risk management, for the identification, monitoring, measurement and minimisation of the interest rate risk.

The basic method for estimating and monitoring the Bank's exposure to interest rate risk is the Basis Point Value method ('BPV'). The BPV indicator is regularly monitored and benchmarked against set limits. The BPV method is based on the calculation of the present value of differences between assets and liabilities, including accrued interest cash flows as determined by their maturity or revaluation. The BPV method is based on a comparison of the present value of the above differences in the current yield curve as well as the yield curve adjusted by +0.1% (+10 base points).

The following two tables include cumulative changes in net interest income as at 31 December 2007. Changes in interest rates have an effect on the income statement with an indirect effect on equity:

As at 31 December 2007	Effects on income statement									
Increase/ decrease IR (SKK '000)	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	Up to 6 years	Up to 7 years	Up to 8 years	Up to 9 years	Up to 10 years
0,1%	1 818	2 275	2 595	2 909	3 275	3 773	4 294	4 597	4 889	5 105
(0,1%)	(1 818)	(2 275)	(2 595)	(2 909)	(3 275)	(3 773)	(4 294)	(4 597)	(4 889)	(5 105)

As at 31 December 2006	Effects on income statement									
Increase/ decrease IR (SKK '000)	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	Up to 6 years	Up to 7 years	Up to 8 years	Up to 9 years	Up to 10 years
0,1 %	1 608	1 238	1 130	1 813	2 003	2 649	3 432	4 011	4 356	4 621
(0,1 %)	(1 608)	(1 238)	(1 130)	(1 813)	(2 003)	(2 649)	(3 432)	(4 011)	(4 356)	(4 621)

If interest rates increase by 0.1%, the Bank's net interest income will increase in 10 years by SKK 35.5 million and by SKK 26.9 million in 2007 and 2006, respectively.

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For the purposes of interest rate operating risk management, the Bank uses the cumulative interest GAP analyses. The basis for determining an interest GAP is the data about the volume and maturity and/or the date of revaluation of selected, interest-sensitive balance sheet items. Non-financial assets and liabilities are shown in the non-specified category.

As at 31 December 2007 (in thousands of Slovak crowns)	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non specified	Total
Assets							
Due from banks and cash and balances with central banks	1 291 450	70 128	60 292	0	150 000	0	1 571 870
Due from customers	57 230	79 004	519 271	1 402 452	372 709	41 740	2 472 406
Financial assets – available for sale and held to maturity	104 509	830 625	179 559	637 589	644 521	0	2 396 803
Property, plant and equipment	0	0	0	0	0	7 867	7 867
Intangible assets	0	0	0	0	0	21 412	21 412
Other assets	0	0	0	0	0	37 164	37 164
Total assets	**1 453 189**	**979 757**	**759 122**	**2 040 041**	**1 167 230**	**108 183**	**6 507 522**
Liabilities							
Due to banks	0	112	60 349	0	150 000	0	210 461
Due to customers	2 413 299	225 838	1 032 796	1 827 441	135 389	88 184	5 722 947
Other liabilities	99	0	207	0	0	58 729	59 035
Provisions	0	0	0	0	0	295	295
Equity	0	0	0	0	0	514 784	514 784
Total liabilities and equity	**2 413 397**	**225 951**	**1 093 351**	**1 827 442**	**285 389**	**661 992**	**6 507 522**
Net interest rate gap	**(960 208)**	**753 806**	**(334 229)**	**212 599**	**881 841**	**(553 809)**	**0**

As at 31 December 2006 (in thousands of Slovak crowns)	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non specified	Total
Total assets	2 295 045	264 841	297 110	3 136 382	907 288	116 056	7 016 722
Total liabilities and equity	1 396 866	423 469	1 477 610	2 957 657	122 072	639 048	7 016 722
Net interest rate gap	**898 179**	**(158 628)**	**(1 180 500)**	**178 725**	**785 216**	**(522 992)**	**0**

OPERATIONAL RISK

Operational risk arises from inappropriate or faulty internal processes, from human error, systems failure or external events.

Operational risk management is primarily assured by defining responsibilities and working methods in order to minimise possible errors and the resultant losses.

Identification and monitoring of operational risk takes the form of operating risk data-collection and assessment of risks by employees of the Bank.

27. RELATED PARTY TRANSACTIONS

The Bank performs many banking operations with related parties in the normal course of the business. The Bank's related parties during the accounting periods in question were as follows:

Parent company: Československá obchodní banka, a.s.

Companies under common control:
- Československá obchodní banka, a.s., zahraničná pobočka v SR (ďalej „ČSOB")
- ČSOB Leasing, a.s.
- ČSOB Poisťovňa, a.s.
- ČSOB Distribution, a.s.

Members of the statutory bodies and their close relatives.

Expenses with related parties

(In thousands of Slovak crowns)	Company in group / other related parties	2007	2006
Interest expense from subordinate debt	ČSOB	12 118	3 862
Finance lease expense	ČSOB Leasing, a.s.	578	371
Insurance expense	ČSOB Poisťovňa, a.s.	237	657
IT services	ČSOB	847	1 218
Bonuses to statutory and supervisory bodies	Members of Board of Directors and Supervisory Board	960	1 100
Other	ČSOB	339	425

Revenues with related parties

(In thousands of Slovak crowns)	Company in group / other related parties	2007	2006
Interest revenue from mortgage bonds	ČSOB	10 928	10 956
Interest revenue – current account	ČSOB	10	9
Interest revenue – term deposits	ČSOB	13 063	11 246
Other operating income	ČSOB	365	2 820

Receivables from related parties

(In thousands of Slovak crowns)	Company in group / other related parties	2007	2006
Term deposits	ČSOB	280 420	297 500
Current accounts	ČSOB	275	791
Securities – mortgage bonds	ČSOB	227 440	228 714
Other receivables	ČSOB	12 431	27 261
Other receivables	ČSOB Poisťovňa a.s	14	231
Other receivables	ČSOB Distribution a.s.	3	0

Liabilities to related parties

(In thousands of Slovak crowns)	Company in group / other related parties	2007	2006
Subordinate debt	ČSOB	210 461	210 469
Financial lease	ČSOB Leasing a.s.	568	1 318
Other liabilities	ČSOB	1 385	181

Off-balance sheet

(In thousands of Slovak crowns)	Company in group / other related parties	2007	2006
Other assets – securities in custody in ČSOB	ČSOB	1 024 000	1 364 000

28. FAIR VALUES

The table below shows the main groups of financial assets and liabilities where the carrying value differs from the fair value:

Financial asset	2007			2006		
	Carrying	Fair value		Carrying	Fair value	
(In thousands of Slovak crowns)	value	Revaluation on market basis	Revaluation using internal model	value	Revaluation on market basis	Revaluation using internal model
Due from customers	2 597 625	0	2 882 239	2 224 062	0	2 444 669
Financial assets - held to maturity	673 686	100 432	562 301	660 384	590 330	57 049

The Bank employed the following assumptions and methods to establish the fair values of financial assets and liabilities:

Due from banks

The carrying values of the Bank's current accounts are approximately the same as their fair values. Almost all inter-bank placements are made for interest rates fixed for a short period and thus their carrying values approximate their fair values.

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Due from customers

The fair values of loans receivables are estimated by discounting future cash flows to present value using the current market rates offered for the loan products.

Financial assets available for sale and held to maturity

Financial assets available for sale are stated at fair value in the financial statements. The fair values of held-to-maturity financial assets are stated on the basis of their quoted market values. The market values are obtained from stock exchange quotations if the securities are actively traded or the average quotations of the market-makers are used. If no market quotations are available, fair values are estimated using quoted market prices of similar instruments.

Due to banks and subordinated debt

The carrying values of current accounts are their fair values. The fair values of other liabilities to banks with the residual maturity of up to one year are presumed to be at the level of their carrying values. The fair values of other liabilities to banks are estimated by discounting future cash flows to present value using the market rates current on the inter-bank market.

Due to customers

The fair values of amounts due to customers are approximately the same as the carrying values because the deposits are obtained without any specified maturity.

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29. CAPITAL

Internal capital management

The Bank uses the standardised approach method to calculate the minimum capital requirements in respect of the credit as well as the operating risk based on Basel II rules. The Bank has implemented its own internal system for evaluating the capital adequacy, which it considers to be appropriate in respect of coverage of the risks to which it is or may be exposed. The system of evaluation of the internal capital adequacy includes the strategy for managing the volume of the internal capital, procedures for determining an adequate level of the internal capital, internal capital items and assignment of the internal capital to risks and, finally, a system for maintaining the internal capital at the required level.

As at 31 December 2007 and 31 December 2006, the capital adequacy of the Bank was as follows:

(In thousands of Slovak crowns)	2007	2006
Basic own capital	728 507	728 507
Additional own capital	150 000	162 000
Items deductible from basic and additional own capital	(231 889)	(247 782)
Total own capital	**646 618**	**642 725**
Risk-weighted assets	**2 274 710**	**2 115 777**
Capital adequacy	**28.43%**	**30.38%**

30. POST BALANCE SHEET EVENTS

As at 1 January 2008 there was a change of the shareholder of the Bank. The new 100% shareholder of the Bank became Československá obchodná banka, a.s. with the registered office at Michalská 18, 815 63, Bratislava.

There are no other post balance sheet events that could influence the data and the disclosures in the financial statements as at the date of their preparation.

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