

**HITA-SECURITIES**

INCORPORATED INVESTMENT FIRM

ZAGREB

**Audit report on financial statement for 2009**

Zagreb, April 2010

**HITA-SECURITIES Inc.**  
**ZAGREB**

Audit report on financial statements for 2009

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HITA-VRIJEDNOSNICE Inc.  
Zagreb, Palmotićeva 2

## STATEMENT OF THE RESPONSIBILITIES OF THE MANAGEMENT BOARD

The Board is responsible for ensuring that financial statements are prepared for each financial year which gives a true and fair view of the financial position of the Company, financial results, and the cash flow for that period. In preparing those financial statements, the responsibilities of the Board include ensuring that:

- suitable accounting policies are selected in accordance with International Financial Reporting Standards and the Croatian Accounting Act, and then applied consistently;
- judgements and estimates are reasonable and prudent;
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the financial statements comply with the Croatian Accounting Act. The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Zagreb, 09 April 2010

HITA-VRIJEDNOSNICE Inc.

President of the Management Board  
Ivan Tadin

**RECONSULT d.o.o.**  
audit and consulting  
ZAGREB  
Trg hrvatskih velikana 4/I

Zagreb, 9 April 2010

**HITA-SECURITIES Inc.**  
Investment firm  
Zagreb, Palmotićeva 2

## **INDEPENDENT AUDITOR'S REPORT**

### **To shareholders of HIT A-SECURITIES Inc., Zagreb**

We have audited the accompanying financial statements of HIT A-SECURITIES Inc., Zagreb, which comprise of the Balance sheet as at 31 December 2009, Profit and loss account for 2009, Cash flow statement for 2009 and Statement of changes in equity for 2009, and summary of significant accounting policies and notes to the financial statements.

Following concise financial statements are in accordance with financial statements prepared according to law regulations (pages 3-5).

### **1. Management's responsibility for the financial statements**

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

## **2. Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with International Standards of 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 audit procedures selected depend on the auditor's assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements as a basis for designing 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 significant estimates made by Management Board, as well as evaluating the overall financial statement presentation and disclosures.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

## **3. Opinion**

In our opinion, with respect to the nature of operation with securities and requirement of fair presenting and reporting on business activities, the financial statements present fairly the results of business activities and the financial position of the Company as at 31 December 2009, as well as the cash flows for 2009, which is in accordance with the International Financial Reporting Standards.

Certified auditor:

Audit company:

Filip Brekalo, M.Sc.

RECONSULT d.o.o.

**HITA-SECURITIES Inc.****BALANCE SHEET AS AT  
31 December 2009****ASSETS**

in kuna

Nr.	Position	31 December 2009	31 December 2008
<b>1</b>	<b>INTANGIBLE ASSETS, TANGIBLE ASSETS AND LONG TERM INVESTMENTS</b>	<b>173.224</b>	<b>536.947</b>
a)	LONG TERM INTANGIBLE ASSETS	0	0
b)	LONG TERM TANGIBLE ASSETS	173.224	536.947
c)	INVESTMENT IN JOINT VENTURES	0	0
d)	INVESTMENT IN ASSOCIATES	0	0
e)	INVESTMENT IN SUBSIDIARIES	0	0
f)	LONG TERM ASSETS AVAILABLE FOR SALE	0	0
g)	OTHER ASSETS	0	0
<b>2</b>	<b>CASH AND RECEIVABLES</b>	<b>2.442.047</b>	<b>2.316.416</b>
a)	CASH	383.671	663.038
b)	RECEIVABLES FROM INVESTMENT SERVICES	48.484	73.293
c)	LOANS AND RECEIVABLES	0	0
d)	DEFERRED TAX ASSETS	19.159	11.231
e)	PREPAYMENTS AND ACCRUED INCOME	62.563	94.799
f)	OTHER RECEIVABLES	1.928.170	1.474.056
<b>3</b>	<b>FINANCIAL ASSETS</b>	<b>17.596.343</b>	<b>18.670.192</b>
a)	SECURITIES AND OTHER FIN.INSTRUMENTS - through profit and loss	920.493	484.407
b)	SECURITIES AND OTHER FIN.INSTRUMENTS - available for sale	16.675.850	18.185.785
c)	SECURITIES AND OTHER FIN.INSTRUMENTS - held to maturities	0	0
<b>4</b>	<b>TOTAL ASSETS</b>	<b>20.211.615</b>	<b>21.523.555</b>
<b>5</b>	<b>OFF BALANCE SHEET ITEMS</b>	<b>30.020.350</b>	<b>51.055.793</b>
a)	CLIENT PORTOFOLIO	27.520.350	48.055.793
b)	OTHER OFF BALANCE SHEET ITEMS	2.500.000	3.000.000

**EQUITY AND LIABILITIES**

in kuna

Nr.	Position	31 December 2009	31 December 2008
<b>1</b>	<b>CAPITAL AND RESERVES</b>	<b>10.169.530</b>	<b>12.717.122</b>
a)	SHARE CAPITAL	7.400.000	7.400.000
b)	OWN SHARES	0	0
c)	PROFIT RESERVES	370.000	249.653
d)	CAPITAL RESERVES	0	0
e)	RETAINED EARNINGS	969.866	2.981.621
f)	LOSS BROUGHT FORWARD	0	0
g)	PROFIT OR LOSS FOR THE YEAR	1.414.302	2.059.665
h)	REVALUATION RESERVES	15.362	26.183
i)	MINORITY INTEREST		
<b>2</b>	<b>LIABILITIES</b>	<b>10.042.085</b>	<b>8.806.433</b>
a)	TRADING LIABILITIES	128.679	152.146
b)	LIABILITIES FROM LOANS AND ADVANCES	9.167.377	7.720.831
c)	LIABILITIES FROM ISSUED FINANCIAL INSTRUMENTS	0	0
d)	TRADE LIABILITIES	128.423	432.518
e)	LIABILITIES TOWARDS EMPLOYEES	119.739	173.682
f)	LIABILITIES FOR TAXES AND CONTRIBUTIONS	77.539	122.692
g)	DEFERRED TAX LIABILITIES	3.840	6.546
h)	ACCRUALS AND DEFERRED INCOME	16.726	0
i)	PROVISIONS	300.000	100.000
j)	OTHER LIABILITIES	99.761	98.019
<b>3</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20.211.614</b>	<b>21.523.555</b>
<b>4</b>	<b>OFF BALANCE SHEET ITEMS</b>	<b>30.020.350</b>	<b>51.055.793</b>
a)	CLIENT PORTOFOLIO	27.520.350	48.055.793
b)	OTHER OFF BALANCE SHEET ITEMS	2.500.000	3.000.000

**HITA-SECURITIES Inc.**  
**CONCISE PROFIT AND LOSS ACCOUNT**  
**for the period 01 January 2009 till 31 December 2009**

in kuna

Nr.	Position	31 December 2009	31 December 2008
<b>1</b>	<b>NET INCOM/EXPENSES FROM FEES AND COMMISSIONS</b>	<b>4.997.960</b>	<b>8.408.762</b>
<b>2</b>	<b>NET REALISED GAINS/LOSSES</b>	<b>62.234</b>	<b>(465.763)</b>
<b>3</b>	<b>NET UNREALISED GAINS/LOSSES</b>	<b>(75.785)</b>	<b>15.297</b>
<b>4</b>	<b>NET REALISED GAINS/LOSSES OF ASSETS AVAILABLE FOR SALE</b>	<b>1.532.287</b>	<b>0</b>
<b>5</b>	<b>NET VALUE ADJUSTMENT OF LOANS AND ASSETS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>
<b>6</b>	<b>OTHER NET PROVISIONS AND VALUE ADJUSTMENTS</b>	<b>0</b>	<b>0</b>
<b>7</b>	<b>NET INTEREST INCOME/EXPENSES</b>	<b>632.020</b>	<b>516.055</b>
<b>8</b>	<b>NET INCOME/EXPENSES FROM FOREIGN EXCHANGE RATE</b>	<b>(236)</b>	<b>1.739</b>
<b>9</b>	<b>TOTAL OTHER INCOME</b>	<b>1.647.754</b>	<b>1.354.659</b>
<b>10</b>	<b>TOTAL OTHER EXPENSES</b>	<b>7.381.933</b>	<b>7.422.991</b>
	<b>PROFIT/LOSS BEFORE TAX</b>	<b>1.414.302</b>	<b>2.407.759</b>
	<b>INCOME TAX</b>	<b>0</b>	<b>348.094</b>
<b>11</b>	<b>PROFIT/LOSS AFTER TAX</b>	<b>1.414.302</b>	<b>2.059.665</b>

**HITA-SECURITIES Inc.****CONCISE STATEMENT OF CHANGES IN EQUITY**  
**for the period 01 January 2009 till 31 December 2009**

	in kuna	
	<b>2009</b>	<b>2008</b>
1 Share capital	7.400.000	7.400.000
2 Profit reserves	370.000	249.653
3 Retained earnings and loss brought forward	969.866	2.981.621
4 Profit or loss for the year	1.414.302	2.059.665
5 Revaluation of financial assets available for sale	15.373	26.183
<b>6 Total capital and reserves</b>	<b>10.169.530</b>	<b>12.717.122</b>

**HITA-SECURITIES Inc.****CONCISE CASH FLOW STATEMENT**  
**for the period 01 January 2009 till 31 December 2009**

	in kuna	
	<b>2009</b>	<b>2008</b>
<b>1 Net cash flow from operating activities</b>	<b>2.348.803</b>	<b>10.391.847</b>
<b>2 Net cash flow from investment activities</b>	<b>1.333.724</b>	<b>(8.930.436)</b>
<b>3 Net cash flow from financial activities</b>	<b>(3.961.894)</b>	<b>(1.117.619)</b>
<b>4 Net increase/decrease of cash and cash equivalents</b>	<b>(279.367)</b>	<b>343.792</b>
<b>5 Cash and cash equivalents at the beginning of the period</b>	<b>663.038</b>	<b>319.246</b>
<b>6 Cash and cash equivalents at the end of the period</b>	<b>383.671</b>	<b>663.038</b>



# **FINANCIAL STATEMENTS**

**GENERAL INFORMATION**Reporting period 01 October 2009 - 31 December 2009 Agency identification code 464Company **HITA-VRIJEDNOSNICE Inc.**Address (postal code, town, street, number) Zagreb 10000 Palmotićeve 2Phone 4807750 Fax 4807770Web page www.hita.hr Date of register in Court register 15.02.1992E-mail address hita@hita.hr Number of employees 27**Information about banks and numbers of accounts**

Type	Bank	Giro-account
Regular account	HPB D.D.	2390001-1100352151
Principal account	HPB D.D.	2390001-1300004161
Principal account	HPB D.D.	2390001-1300004660
Regular account	CENTAR BANKA D.D.	2382001-1100134564
Principal account	CENTAR BANKA D.D.	2382001-1300003193
Regular account	ERSTE & STEIERMARKISCHE BANKA D.D.	2402006-1100061129
Principal account	ERSTE & STEIERMARKISCHE BANKA D.D.	2402006-1300000082
Regular account	HYPO ALPE ADRIA BANK D.D.	2500009-1101285926

**Information about the President and Management Board Members**

Function	Name
President of the Management Board	Ivan Tadin
Member of the Management Board	Denis Cvitanović
Member of the Management Board	Libor Weiser

**Information about the President and Supervisory Board Members**

Function	Name
President of the Supervisory Board	Hrvoje Tadin
Member of the Supervisory Board	Branka Tadin
Member of the Supervisory Board	Slavica Tadin

**Certified brokers and investment consultants**

Authorisation	Name
Broker / Investment consultant	TADIN IVAN
Broker / Investment consultant	CVITANOVIĆ DENIS
Broker / Investment consultant	VUČKOVIĆ BRANKA
Broker / Investment consultant	BAKOVIĆ KREŠIMIR
Broker / Investment consultant	FRGIĆ IVA
Broker / Investment consultant	MIŠOVIĆ MLADEN
Broker	DI LEO JOSIPA
Broker	GREGOV NIVES
Broker	LOGOMER MAJA
Broker	MANDIĆ PETRA
Broker	MARKOVIĆ JUDIT
Broker	MOKRIŠ DAMIR
Broker	NUIĆ IGOR
Broker	VUKOVIĆ NEBOJŠA
Broker / Investment consultant	WEISER LIBOR
Broker	BRAJKOVIĆ ANDRIJA

**Shareholders**

Name	Address	Share
Ivan Tadin	B.ADŽIJE 22/1	

Amount of share capital in kuna

7.400.000

Subjects of consolidation

Name

Name of the audit company which audited last report

Reconsult d.o.o.

<b>1</b>	<b>Statement of compliance with IFRS</b>
	<p>Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Financial statements are approved by the Management Board as at 26 February 2010 for further approval by the General assembly.</p> <p>Financial statements are compiled for financial instruments, financial assets and liabilities at fair value through profit and loss account, and financial assets available for sale, except those whose fair value cannot be reliably measured. Other financial assets are measured at amortised or historical cost.</p> <p>These financial statements are prepared on going concern assumption.</p> <p>Financial statements are presented in HRK.</p> <p>Significant accounting policies are consistently applied on all periods presented in these financial statements.</p>
<b>2</b>	<b>Summary of significant accounting policies</b>
	<p><b>Income from commissions and fees</b></p> <p>Income from commissions and fees consists of fees for mediation services in purchase and sale of securities, portfolio management fees, and consulting services. Expenses from fees and commissions mostly consist of commissions for stock exchange services, securities depository and settlement services. Income and expenses are recognised in profit and loss account when the service is provided.</p> <p><b>Income and expenses from interest</b></p> <p>Income and expenses from interest incurred from receivables and liabilities from business transactions calculated until the balance sheet date are recognised in the profit and loss account on accrual basis. Financial income and expenses are recognised in profit and loss account when incurred.</p> <p><b>Dividends income</b></p> <p>Dividends income from investment in equity securities are recognised in profit and loss account at the date of announcement of rights on dividends.</p> <p><b>Net loss / profit</b></p> <p>Net loss / profit include gains and losses from sale of financial assets (realised net loss /gain) and change in fair value of financial assets at fair value through profit and loss (unrealised net loss / gain).</p> <p><b>Foreign currencies</b></p> <p>Income and expenses from transaction in foreign currencies are converted into HRK at the exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted into HRK at the balance sheet date at the middle exchange rate of CNB. Foreign exchange rate differences arising on translation of foreign currencies are recognised in the profit and loss account.</p> <p>Foreign exchange rate differences from equity instruments in foreign currencies classified as available for sale are stated in equity, with gains and losses from change in fair value, until sold.</p> <p><b>Taxation</b></p> <p>The Company calculates and pays taxes according to Croatian tax laws. Income tax consists of currently payable and deferred tax.</p> <p>Currently payable tax represents amount of tax payable on taxable amount of profit using tax rates enacted at the balance sheet date, and all corrections of tax liability amount.</p> <p>Deferred tax is accounted for using the balance sheet liability method, taking into account temporary differences between the book values and amounts used for tax calculation. Amount of deferred tax is based on assumed realisation method or settlement of book value of assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which unutilised tax</p>

losses can be utilised, and deferred tax liability is recognised for all taxable temporary differences.

### **Property, equipment and intangible assets**

Property, equipment and office furniture are initially stated at purchase cost less accumulated depreciation. Cost comprises purchase price and all costs directly attributable to bringing the asset to working condition for its intended use.

Maintenance and repairs, replacement and improvements of minor importance are recognised in the profit and loss when incurred. More significant investment expenses are capitalised.

Gains and losses from disposal of assets are recognised in profit and loss when incurred.

Sections of property and equipment with different useful life are recorded as separate items of assets.

Depreciation is recognised in profit and loss on a straight-line basis so that the depreciation expenses are allocated to residual estimated useful life of property, equipment and intangible assets. Estimated useful life of assets in current and compared period:

furniture .....	2 years
computer equipment .....	1 year

### **Financial instruments**

The Company classifies its financial assets and liabilities into following categories: at fair value through profit and loss, assets available for sale, and loans and receivables.

Newly acquired financial instruments are classified according to internal legal acts of the Company.

Financial assets at fair value through profit and loss relates to financial assets held for trading purposes and assets initially elected to classify at fair value through profit and loss. These assets are initially recognised at cost, and subsequently measured at fair value according to internal legal acts of the Company. All related realised and unrealised gains and losses are included in the profit and loss.

Financial assets available for sale are intended for indefinite hold, but can be sold to maintain liquidity or when prices of equity instruments change. These assets are initially recognised at cost increased for transaction expenses, and subsequently stated at fair value based on the quoted prices or amounts derived from cash flow models. Gains and losses arising from changes in fair value of financial assets available for sale are recognised directly in equity until sale or impairment. Foreign exchange rate differences related to equity instruments classified as available for sale are reported in equity, together with fair value gains and losses.

The effective rate interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to net book value of financial asset or liability. Income is recognised using the effective interest method for those instruments that are not classified as at fair value through profit and loss.

The Company derecognises a financial asset only when contractual rights to the cash flows from that asset expire or it transfers the financial asset in accordance with IAS 39. Financial liability is derecognised when contractual liabilities are settled, cancelled or expired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They also include receivables and deposits to financial institutions.

### **Operating lease expenses**

Operative lease payments are recognised in the profit and loss account using the straight line method during the lease term.

### **Cash and cash equivalents**

Cash and cash equivalents comprise of cash at banks and in hand.

### **Employee benefits**

During regular operations, at salaries payment, the Company on behalf of its employees that are members of mandatory pension funds performs regular payment of contributions according to law. Mandatory pension contributions are stated as part of salary expenses. The Company has no additional pension plan, thus has no other liabilities related to employee pensions. Onward, the Company has no liability to ensure any other

employee benefits after their retirement.  
The Company recognises severance pay when the employment contract of the employee is terminated before the regular date of retirement or by employee decision to voluntarily terminate employment in exchange for benefits.

The Company recognises liability for jubilee awards evently during the period in which the award is realised, on account of actual years of employment.

The Company recognises provisions for bonuses when there is contractual liability.

#### **Funds management in name and on behalf of others**

The Company manages funds in name and on behalf of legal and natural persons and charges fee for those services. Since those funds do not represent assets of the Company, they are excluded from the balance sheet in financial statements.

#### **Provisions**

Provisions for restructuring expenses, guarantees and litigation are recognised if the Company has present legal or constructive obligation as a result of past event, and if it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **Share capital and reserves**

Share capital is stated in the amount recorded in the Court register upon foundation, or change in the amount in the register. Equity is stated in business books as: share capital, reserves (legal, revaluation and other), retained earnings or transferred loss, and profit or loss for the year. Dividends are recognised as liability in period when established or paid from retained earnings.

#### **Liabilities**

Trade and other liabilities are recognised based on valid documentation (invoice, contract, calculation), and increased for interest according to signed contract or Company's decision.

Liabilities are classified according to maturity as long term (maturity at least 12 months after the balance sheet date) and short term (maturity within 12 months after the balance sheet date).

Liabilities from loans with interest are initially recognised at fair value, less transaction cost. Subsequent measurement is made by amortised cost and every difference between receipts (decreased by transaction expenses) and amounts paid on maturity is recognised in profit and loss account during the period of repayment using the effective interest rate method.

#### **Judgments and estimates**

The Company uses judgments and estimates related to future. Estimates and assumptions bearing significant risk of creating material differences in book value of assets and liabilities in next financial year are as follows:

- fair value of derivative and other financial instruments ( not quoted on active market ),
- provisions for value adjustment of loans and receivables ( proof of un-collectability )
- estimated useful life of property and equipment ( the Company uses increased depreciation rates).

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### **Information verifying items stated in the Balance sheet, Profit and loss account, Statement of changes in equity and Cash flow statement**

#### **Long term tangible and intangible assets**

Long term tangible and intangible assets is recorded as follows:

**LONG TERM TANGIBLE AND INTANGIBLE ASSETS**

(in HRK)

Description	Land	Buildings	Plant and equipment	Tools and inventory	Assets in progress	Intangible assets	Total
<b>HISTORIC COST</b>							
<b>31 December 2008</b>	-	-	<b>1.299.094</b>	-	<b>0</b>	<b>4.914</b>	<b>1.304.008</b>
Value adjustments			0		0	0	0
Direct increase			0		194.776	0	194.776
Transfer from assets in progress			194.776		(194.776)	0	0
Sale or disposal			(349.075)		0	0	(349.075)
<b>31 December 2009</b>	-	-	<b>1.144.795</b>	-	<b>0</b>	<b>4.914</b>	<b>1.149.709</b>
<b>ACCUMULATED DEPRECIATION</b>							
<b>31 December 2008</b>	-	-	<b>762.147</b>	-	-	<b>4.914</b>	<b>767.061</b>
Value adjustments			0			0	0
Depreciation for 2009			539.934			0	539.934
Sale or disposal			(330.511)			0	(330.511)
<b>31 December 2009</b>	-	-	<b>971.570</b>	-	-	<b>4.914</b>	<b>976.484</b>
<b>NET BOOK VALUE</b>							
<b>31 December 2009</b>	-	-	<b>173.224</b>	-	<b>0</b>	<b>0</b>	<b>173.224</b>
<b>31 December 2008</b>	-	-	<b>536.947</b>	-	<b>0</b>	<b>0</b>	<b>536.947</b>

At the balance sheet date stock taking of long term tangible assets was performed and no differences compared to book value were established. Based on the Management's decision, disposed assets based on historic cost equals to 349.075 kuna.

At the same time, during 2009 mostly computer equipment was purchased, in the amount of 194.776 kuna.

Total calculated depreciation of tangible assets in 2009 equals to 539.934 kuna. The Company used double depreciation rates from Income Tax Law, article 12, paragraph 6.

**Cash and cash equivalents**

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Accounts at bank in HRK	383.406	662.514
Cash in hand	265	524
<b>Total</b>	<b>383.671</b>	<b>663.038</b>

**Trade and other receivables**

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Advance payments given to suppliers	18.965	47.110
Trade receivables from equity securities	360.628	90.590

Receivables from calculated interests	305.327	299.254
Receivables from decrease of share capital	309.930	0
Receivables from income tax	378.970	443.790
Other	1.919	826
<b>TOTAL</b>	<b>1.375.739</b>	<b>881.570</b>

At the balance sheet date all reported receivables were undue ( trade receivables, as well as receivables for interest are collected at the beginning of 2010). Receivables from decrease of share capital from one issuer are due in June 2010, while receivables for the prepaid income tax will be used for the advance payments of the tax during 2010.

### Given deposits

DESCRIPTION	(in kuna)	
	31 December 2009	31 December 2008
Deposit with CDCC	301.198	334.725
Deposits for operating leases	247.233	253,761
Deposits for business premises	4.000	4.000
<b>TOTAL</b>	<b>552.431</b>	<b>592.486</b>

Deposit with CDCC present deposit in Guarantee fund. During 2009 the Company took a vehicle in operating lease, for which it gave a deposit in the amount of 29.317 kuna, while at the same time a deposit was returned to the Company for the vehicle for which the period of the lease expired (35.739 kuna).

### Share capital

Share capital amounts to 7.400.000 kuna and it is paid in whole in cash.

The only member / founder of the Company is Ivan Tadin, Zagreb.

The key goal of the Company in capital management is the compliance with the legal condition of maintaining the minimum amount of the share capital which is in accordance with the Capital Market Law, which for this investment company equals minimum 6.000.000,00 kuna and to maintain the capital as to be higher than the sum of all capital requirements.

Other goals of the Company regarding capital management are:

- maintain the capability of the Company to continue to do business according to the on going concern basis
- comply with capital requirement
- maintain balance sheet with considerable components of cash and short term assets.

### Reserves

DESCRIPTION	(in kuna)	
	31 December 2009	31 December 2008
Legal reserves	370.000	249.653
Fair value reserves	15.373	26.183
<b>TOTAL</b>		



Legal reserves are formed during 2009 according to Company Act, precisely 5% of the amount of the share capital. Legal reserves are paid in whole from retained earnings.

Fair values reserves include unrealised gains and losses from changes in fair value of financial assets available for sale, decreased for associated tax.

### **Retained earnings**

Retained earnings include accumulated profit from previous periods, decreased for dividends paid.

### **Provisions**

According to litigation which is prosecuted against the Company (magistrates act XVII-G-5070/2006 within Magistrates Court in Zagreb), in 2009 provisions were made in the amount of 200.000 kuna for the possibility of a loss, i.e. paying the fine. In following years this amount will be corrected depending on the movement of the litigation, i.e. magistrates act.

### **Trade liabilities**

(in kuna)		
DESCRIPTION	31 December 2009	31 December 2008
Trade payables	128.423	432.518
Liabilities towards CDCC, ZSE	128.679	152.146
<b>UKUPNO</b>	<b>257.102</b>	<b>584.664</b>

Trade liabilities are settled upon maturity.

### **Liabilities towards employees**

(in kuna)		
DESCRIPTION	31 December 2009	31 December 2008
Liabilities for net wages	115.619	161.449
Liabilities for contributions, taxes and local income tax	77.309	122.425
Other liabilities	4.120	12.233
<b>TOTAL</b>	<b>197.048</b>	<b>296.107</b>

Liabilities towards employees are settled during January 2010.

### **Received loans**

Three short term bank loans were approved (margin and revolving) which are assured with promissory note and with other instruments for collection. Member of the Company is a guarantor for the loan received.

Loans are approved in kuna for the purchase of shares, i.e. working capital. Contracted interest rate is in range from 8,50% till 10,5% yearly. Maturity of the loans is the first part of 2010.

The Company settles liabilities for received loans according to the contract.

### **Deferred tax assets / liabilities**

Deferred tax assets is recognised based on the deductible temporary differences and unused tax losses in the portion in which sufficient tax basis is expected in future periods, according to tax laws.

At the balance sheet date the Company recorded deferred tax assets in the amount of 19.159 kuna as 20%

share of value adjustments of the shares recorded in short term financial assets.

Deferred tax liabilities are recognised on the basis of taxable temporary differences which for a consequence have taxable amounts when determining taxable profit (taxable loss) in future periods when the book value of the assets will be redeemed or liability settled.

At the balance sheet date the Company recorded deferred tax liability in the amount of 3.840 kuna which fits 20% share of the presented value adjustments of the shares which are recorded as long term financial assets in the amount of 19.202 kuna. Correctness of the above mentioned is grounded in the revaluation reserve in the amount of 15.362 kuna.

#### Income and expenses from fees and commissions

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Fees and commissions for completion of client's order	6.693.440	10.770.882
Fees and commissions for portfolio management	2.567	20.964
Other income	281.699	28.500
Expences for services of arranged market	1.015.369	2.411.584
Expenses for services of clearing organisation	712.391	
Other expences	251.985	
<b>NET INCOME / EXPENCES</b>	<b>4.997.960</b>	<b>8.408.762</b>

#### Net realised gains / losses

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Realised gains from financial assets through profit and loss	132.398	344.364
Realised losses from financial assets through profit and loss	70.164	810.126
Realised gains from financial assets available for sale	1.694.781	0
Realised losses from financial assets available for sale	162.494	0
<b>NET REALISED GAINS / LOSSES</b>	<b>1.594.521</b>	<b>(465.762)</b>

#### Net unrealised gains / losses

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Unrealised gains from financial assets through profit and loss	611	67.797
Unrealised loss from financial assets through profit and loss	76.395	52.500
<b>NET UNREALISED GAINS / LOSSES</b>	<b>(75.784)</b>	<b>15.297</b>

#### Net income / expenses from interest rates

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Income from interest rates	1.439.913	922.209
Expenses from interest rates	807.893	406.154
<b>NET INCOME / EXPENSES FROM INTEREST RATE</b>	<b>632.020</b>	<b>516.055</b>

#### Net exchange rate differences

During 2009 the Company realised negative exchange rate difference between positive and negative exchange rate differences (235 kuna).

#### Other income

(in kuna)		
DESCRIPTION	31 December 2009	31 December 2008
Dividends income	1.638.116	435.301
Other	9.638	919.358
<b>OTHER INCOME</b>	<b>1.647.754</b>	<b>1.354.659</b>

#### Other expenses

(in kuna)		
DESCRIPTION	31 December 2009	31 December 2008
Depreciation	539.934	461.628
Personnel expenses	3.653.557	3.190.852
Other	3.198.442	3.770.511
<b>OTHER EXPENSES</b>	<b>7.381.933</b>	<b>7.422.991</b>

#### Income tax

(in kuna)		
DESCRIPTION	31 December 2009	31 December 2008
Accounting profit before tax	1.414.302	2.407.758
Increase of profit	178.598	127.832
Decrease of profit	(1.674.551)	(795.124)
<b>TAXABLE BASIS</b>	<b>(81.651)</b>	<b>1.740.466</b>
Tax expense	0	348.093

#### OFF BALANCE SHEET ITEMS

Off balance sheet items consist of foreign assets of the principal at the accounts for special purposes in banks, which refers to clients' assets.

During 2009 there was no remarks from the part of clients, nor from the part of agency for performed transactions and their settlement.

The Company is the principal according to the Contract of issuing of guarantee issued by the bank in the

amount of 2.500.000,00 kuna for settlement of the amount in cases of incompliance of liabilities towards CDCC based on contracted settlement. The guarantee is issued in the amount of 2.500.000 kuna, with maturity on 01 February 2010.

#### LITIGATION

The Company within its regular business activity had no active litigation. There is a magistrates act under number XVII-G-5070/2006 within Magistrate Court in Zagreb. The Company has litigation against one client for the purposes of gaining without foundation.

#### POTENTIAL LIABILITIES

In financial statements for 2009 the Company stated all liabilities in course of its regular operations. The Company has no indications about potential liabilities that have not been stated in the financial statements.

### 4 Classification of financial assets and financial liabilities

#### Financial assets available for sale

The Company as at 31 December 2009 presented the financial assets in the value of:

DESCRIPTION	(in kuna)	
	31 December 2009	31 December 2008
Equity securities – quoted on the market	7.837.606	8.225.382
Equity securities – not quoted on the market	8.658.064	9.784.693
Equity securities of the financial institutions	180.180	175.710
<b>TOTAL</b>	<b>16.675.850</b>	<b>18.185.785</b>

As at 31 December 2009 all securities are free from pledge.

#### Financial assets at fair value through profit and loss

DESCRIPTION	(in kuna)	
	31 December 2009	31 December 2008
Equity securities of the non-financial companies	920.493	484.185
Equity securities of the financial companies	0	222
<b>TOTAL</b>	<b>920.493</b>	<b>484.407</b>

### 5 Credit risk exposure for financial assets and liabilities classified as loans and receivables at fair value through profit and loss

Credit risk is the risk of default in liability settlement or potential liability of a counterparty with which the Company made a transaction. Exposure of the Company to credit risk at the balance sheet date, arising from deposits at CDCC, cash and cash equivalents, and other receivables, arises from fair value of instruments whose positive value at the date is stated in the balance sheet. All transactions with quoted securities are settled or paid after delivery through certified brokers. Risk of default is retained to minimum since sold securities are delivered after the appropriate amount is deposited to the account. If either party defaults in its liability, purchase transaction is not completed.

### 6 Amount of fair value change attributed to credit risk change

	There is no fair value change directly attributable to credit risk.
7	<b>Reclassification of financial instruments in assets which is measured</b> (a) at cost or amortised cost instead at fair value or (b) at fair value instead at cost or amortised cost, the amount reclassified from one category to another category is to be published, as well as the reasons for the reclassification.
	In 2009 there was no reclassification of financial assets.
8	<b>For the assets which is derecognised, following is to be published:</b> a) nature of the assets (b) nature of the risks and premiums connected to ownership to which the Company stays exposed (c) when recognition for all the asset is continued, book value of the assets and related liabilities, as well as (d) when recognition of the assets is continued in the terms of its engagement, total book value of original asset, the value of the asset that is continued to recognised and book value of related liabilities.
	In 2009 there was no asset that was derecognised.
9	<b>Book value of financial asset that is pledged as a security for payment of real or unforeseen liabilities (collateral) is to be published, including the values which are reclassified in accordance with article</b>
	As at 31 December 2009 all securities are free from pledge.
10	<b>Collateral (financial or non-financial asset) and it is allowed to sell or pledge again the collateral in the absence or because the owner of the collateral is not paying, obligation to publish is:</b> fair value of the collateral in possession, fair value of the collateral that is sold or pledged again, and the liability of return.
	Fair value of the collateral is equal to book value.
11	<b>Impairment for credit losses.</b>
	In 2009 there was no impairment for the credit losses.
12	<b>If the subject issued the instrument which contains both the component of liabilities and the component of equity and it is about the instrument which has several built-in derivatives which values are interdependent (just like convertible debt securities with the rights of abortive redemption), it is indebted to publish the existence of such characteristic.</b>
	At balance sheet date the Company did not issue that kind of instruments.
13	<b>For loan liabilities at report date publish:</b> (a) details about eventual non-payment of the principal, interest, gradual repurchase or conditions of repurchase of loan liabilities (b) book value at report date of the loan liabilities which are not paid and (c) if the payment has been made or the conditions of loan instalments were audited before the financial statements were approved.
	Three short term bank loans were approved (margin and revolving) which are assured with promissory note and other instruments for collection. Member of the Company is a guarantor for the loan received. Loans are approved in kuna for the purchase of shares, i.e. working capital. Contracted interest rate is in range from 8,50% till 10,5% yearly. Maturity of the loans is the first part of 2010. The Company settles liabilities for received loans according to the contract.
14	<b>It is to be published following information for each kind of protection (i.e. fair value protection, cash flow protection and protection of the net investments in abroad):</b> (a) description of each kind of protection (b) description of financial instruments determined as instruments of protection and its fair value at report date (c) the nature of risks towards which the protection is performed.
	The Company did not use transactions for protection.
15	<b>The Subject is for every class of financial assets and financial liabilities indebted to publish fair value of assets and liabilities in a way which enables its comparison with book value.</b>
	<b>Financial assets available for sale</b>

The Company as at 31 December 2009 presented the financial assets in the value of:

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Equity securities – quoted on the market	7.837.606	8.225.382
Equity securities – not quoted on the market	8.658.064	9.784.693
Equity securities of the financial institutions	180.180	175.710
<b>TOTAL</b>	<b>16.675.850</b>	<b>18.185.785</b>

**Financial assets at fair value through profit and loss**

(in kuna)

DESCRIPTION	31 December 2009	31 December 2008
Equity securities of the non-financial companies	920.493	484.185
Equity securities of the financial companies	0	222
<b>TOTAL</b>	<b>920.493</b>	<b>484.407</b>

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**Disclose information which enable users of financial statements to evaluate the type and range of risk arising from financial instruments to which the subject is exposed to at the balance sheet date a) credit risk b) market risk c) liquidity risk**

This note sets out the details on Company exposure to risk and methods the Management uses to manage risks have been described. The Company is exposed to risk generally relating to trade and mediation of securities. The Company is exposed to effects of change of conditions on domestic and indirectly on international markets.

Most significant risks that the Company is exposed to are credit risk, liquidity risk, market risk (foreign exchange rate risk, interest rate risk, price risk) and operating risk.

**Credit risk**

Credit risk is a risk of default in liability settlement or potential liability of a counterparty with which the Company made a transaction. Exposure of Company to credit risk at the balance sheet date, arising from deposits at CDCC, cash and cash equivalents, and other receivables, arises from fair value of instruments whose positive value at that date is stated in the balance sheet. All transactions with quoted securities are settled or paid after delivery through certified brokers. Risk of default is retained to minimum since sold securities are delivered after the appropriate amount is deposited to the account. If either party defaults in its liability, purchase transaction is not completed.

**Liquidity risk**

Responsibility for liquidity risk rests on Company's Management, which made an appropriate liquidity risk management framework, short, medium and long term financing and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserves of borrowed funds, by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets.

**Interest rate risk**

The Company is subject to risks related to effect of interest rate fluctuations on its financial position and cash flows. Risk is managed by maintaining adequate combination between fixed and variable interest rate on loans. At the moment the Company is not protected from these risks since most financial assets and liabilities (cash, cash equivalents, guarantee deposit at SKDD, and received loans) are interest-bearing.

**Foreign exchange rate risk**

The Company can invest in financial instruments, and execute transactions denominated in foreign currencies which are not its functional currency. However, the Company for now has no assets (with the exception of cash) and liabilities denominated in foreign currencies. Hence, the Company at the balance sheet date was not

	<p>exposed to the risk of foreign exchange rate risk because the assets that was denominated in foreign currencies were minor.</p> <p><b>Price risk</b> Price risk is possibility of price fluctuations, which will affect fair value of investment and other instruments whose value is derived from certain investments. Primary exposure to price risk arises from Company's investments in equity instruments available for sale or at fair value through profit and loss. The Company actively trades in equity instruments.</p> <p><b>Fair value</b> Fair value represents the amount at which an asset could be exchanged or a liability settled on an arm`s length basis in regular market conditions. Most financial instruments of the Company are stated at fair value at the balance sheet date.</p> <p>Book value of cash and cash equivalents and loans and receivables is equal to amortised cost of those instruments which is approximately equal to its fair value. The Management Board considers that fair value of financial assets and liabilities is approximately equal to its book value.</p>
17	<p><b>For assets acquired from ownership of collateral as security instrument disclose: (a) nature and book amount of assets acquired in such manner and (b) if the asset cannot be currently converted to cash, policies which regulate the availability of such assets, or sale of assets or its use in own operations</b></p>
	<p>At the balance sheet date the Company stated no such assets.</p>
18	<p><b>Disclosure of all transactions with related parties</b></p>
	<p>The Company is under control of Ivan Tadin from Zagreb. The Company considers that indirectly related party with it's owner, Management Board members, members of narrow family of key management is in accordance with the definition mentioned in IAS 24 Related party disclosures.</p> <p>Ivan Tadin, the only shareholder and President of the Management Board, purchased from the Company 1364 shares of Zagreb Stock Exchange Ltd. (mark ZB-R-A).</p> <p>The transaction was made for compliance of the balance sheet to regulations of capital adequacy and maximum exposure.</p> <p>The Company realised net income.</p> <p>The transactions with the related parties are contracted under market terms and conditions.</p> <p>The Company has a liability towards Ivan Tadin in the amount of 371.546,60 kuna.</p>

Zagreb, 13 March 2010

Legal representative

**BALANCE SHEET OF THE INVESTMENT COMPANY as at 31 DECEMBER 2009 - ASSETS**

	<b>Position</b>	<b>Previous period</b>	<b>Current period</b>
<b>1</b>	<b>INTANGIBLE AND TANGIBLE ASSETS AND LONG TERM INVESTMENTS</b>	<b>536.947</b>	<b>173.224</b>
a)	LONG TERM INTANGIBLE ASSETS	0	0
b)	LONG TERM TANGIBLE ASSETS	536.947	173.224
c)	INVESTMENT IN JOINT VENTURES	0	0
d)	INVESTMENT IN ASSOCIATES	0	0
e)	INVESTMENT IN SUBSIDIARIES	0	0
f)	LONG TERM ASSETS AVAILABLE FOR SALE	0	0
g)	OTHER ASSETS	0	0
<b>2</b>	<b>CASH AND RECEIVABLES</b>	<b>2.316.416</b>	<b>2.442.047</b>
a)	CASH	663.038	383.671
b)	RECEIVABLES FROM INVESTMENT SERVICES	73.293	48.484
c)	LOANS AND RECEIVABLES	0	0
d)	DEFERRED TAX ASSETS	11.231	19.159
e)	PREPAYMENTS AND ACCRUED INCOME	94.799	62.563
f)	OTHER RECEIVABLES	1.474.056	1.928.170
<b>3</b>	<b>FINANCIAL ASSETS</b>	<b>18.670.192</b>	<b>17.596.343</b>
a)	SECURITIES AND FINANCIAL INSTRUMENTS-through profit and loss	484.407	920.493
b)	SECURITIES AND FINANCIAL INSTRUMENTS-available for sale	18.185.785	16.675.850
c)	SECURITIES AND FINANCIAL INSTRUMENTS-held to maturity	0	0
<b>4</b>	<b>TOTAL ASSETS</b>	<b>21.523.555</b>	<b>20.211.615</b>
<b>5</b>	<b>OFF BALANCE SHEET ITEMS</b>	<b>51.055.793</b>	<b>30.020.350</b>
a)	CLIENT PORTFOLIO	48.055.793	27.520.350
b)	OTHER OFF BALANCE SHEET ITEMS	3.000.000	2.500.000



**BALANCE SHEET OF THE INVESTMENT COMPANY as at 31 DECEMBER 2009 - EQUITY AND LIABILITIES**

<b>Nr.</b>	<b>Item</b>	<b>Previous period</b>	<b>Current period</b>
<b>1</b>	<b>EQUITY AND RESERVES</b>	<b>12.717.122</b>	<b>10.169.530</b>
a)	SHARE CAPITAL	7.400.000	7.400.000
b)	OWN SHARES	0	0
c)	PROFIT RESERVES	249.653	370.000
d)	CAPITAL RESERVES	0	0
e)	RETAINED EARNINGS	2.981.621	969.866
f)	TRANSFERRED LOSS	0	0
g)	PROFIT OR LOSS FOR THE YEAR	2.059.665	1.414.302
h)	REVALUATION RESERVES	26.183	15.362
i)	MINORITY INTEREST	0	0
<b>2</b>	<b>LIABILITIES</b>	<b>8.806.433</b>	<b>10.042.085</b>
a)	TRADING LIABILITIES	152.146	128.679
b)	LIABILITIES FROM LOANS AND ADVANCES	7.720.831	9.167.377
c)	LIABILITIES FROM ISSUED FINANCIAL INSTRUMENTS	0	0
d)	TRADE LIABILITIES	432.518	128.423
e)	EMPLOYEE LIABILITIES	173.682	119.739
f)	LIABILITIES FOR TAXES AND CONTRIBUTIONS	122.692	77.539
g)	DEFERRED TAX LIABILITIES	6.546	3.840
h)	ACCRUALS AND DEFERRED INCOME	0	16.727
i)	PROVISIONS	100.000	300.000
j)	OTHER LIABILITIES	98.019	99.761
<b>3</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>21.523.555</b>	<b>10.200.615</b>
<b>4</b>	<b>OFF BALANCE SHEET ITEMS</b>	<b>51.055.793</b>	<b>30.020.350</b>
a)	CLIENT PORTFOLIO	48.055.793	27.520.350
b)	OTHER OFF BALANCE SHEET ITEMS	3.000.000	2.500.000
<b>1</b>	<b>EQUITY AND RESERVES</b>	<b>0</b>	<b>0</b>
2	Attributable to shareholders	0	0
3	Attributable to minority interest	0	0

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD 31 December 2009**

Position	Previous period	Current period
a) FEE AND COMMISSION INCOME FROM INVESTMENT SERVICES	10.820.346	6.977.706
b) FEE AND COMMISSION EXPENSES FROM INVESTMENT SERVICES	2.411.584	1.979.745
<b>1 NET FEE AND COMMISSION INCOME/EXPENSES</b>	<b>8.408.762</b>	<b>4.997.961</b>
a) REALISED GAINS OF FINANCIAL ASSETS THROUGH PROFIT AND LOSS	344.364	132.398
b) REALISED LOSSES OF FINANCIAL ASSETS THROUGH PROFIT AND LOSS	810.126	70.164
<b>2 NET REALISED GAINS/LOSSES</b>	<b>-465.762</b>	<b>62.234</b>
a) UNREALISED GAINS OF FINANCIAL ASSETS THROUGH PROFIT AND LOSS	67.797	610
b) UNREALISED LOSSES OF FINANCIAL ASSETS THROUGH PROFIT AND LOSS	52.500	76.395
<b>3 NET UNREALISED GAINS/LOSSES</b>	<b>15.297</b>	<b>-75.785</b>
a) REALISED GAINS OF FINANCIAL ASSETS AVAILABLE FOR SALE	0	1.694.781
b) REALISED LOSSES OF FINANCIAL ASSETS AVAILABLE FOR SALE	0	162.494
<b>4 NET REALISED GAINS/LOSSES OF ASSETS AVAILABLE FOR SALE</b>	<b>0</b>	<b>1.532.287</b>
<b>5 NET VALUE ADJUSTMENT OF LOANS AND ASSETS HELD TO MATURITY</b>	<b>0</b>	<b>0</b>
<b>6 OTHER NET PROVISIONS AND VALUE ADJUSTMENTS</b>	<b>0</b>	<b>0</b>
INTEREST INCOME	922.209	1.439.913
INTEREST EXPENSES	406.154	807.893
<b>7 NET INTEREST INCOME/EXPENSES</b>	<b>516.055</b>	<b>632.020</b>
POSITIVE FOREIGN EXCHANGE DIFFERENCES	2.881	5.257
NEGATIVE FOREIGN EXCHANGE DIFFERENCES	1.142	5.493
<b>8 NET FOREIGN EXCHANGE DIFFERENCIES INCOME/EXPENSES</b>	<b>1.739</b>	<b>-236</b>
INCOME FROM DIVIDENDS, SHARES AND OTHER	435.301	1.638.116
OTHER INCOME	919.358	9.638
<b>9 TOTAL OTHER INCOME</b>	<b>1.354.659</b>	<b>1.647.754</b>
DEPRECIATION	461.628	539.934
EMPLOYEE EXPENSES	3.190.852	3.653.557
OTHER EXPENSES	3.770.511	3.188.442
<b>10 TOTAL OTHER EXPENSES</b>	<b>7.422.991</b>	<b>7.381.933</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>2.407.759</b>	<b>1.414.302</b>
<b>INCOME TAX</b>	<b>348.094</b>	<b>0</b>
<b>11 PROFIT/LOSS AFTER TAX</b>	<b>2.059.665</b>	<b>1.414.302</b>
1 Attributable to shareholders	0	0
2 Attributable to minority interest	0	0

## CASH FLOW STATEMENT

	Position	Previous period	Current period
<b>1</b>	<b>Net cash flows from operating activities</b>	<b>10.391.847</b>	<b>2.348.803</b>
a	Profit/loss for the year	2.059.665	1.414.302
b	Depreciation	461.628	539.934
c	Increase/decrease of receivables for fees and commissions-invest.services	96.360	24.808
d	Increase/decrease of receivables for fees and commissions-auxiliary services	0	-190
e	Increase/decrease of receivables-sale and purchase of financial instruments	0	0
f	Increase/decrease of other receivables	-90.778	-207.911
g	Increase/decrease of liabilities from fees for trade of financial instruments	0	-23.467
h	Increase/decrease of financial assets at fair value through profit and loss	4.258.204	-436.086
i	Increase/decrease of loans	5.388.140	1.075.000
j	Increase/decrease of liabilities from advances and guarantees	0	371.547
k	Increase/decrease of liabilities from derivatives	0	0
l	Increase/decrease of trade liabilities	-25.330	-302.353
m	Increase/decrease of employee liabilities	48.429	-53.943
n	Increase/decrease of liabilities for taxes and contributions	-454.244	-47.859
o	Increase/decrease of other liabilities	-800.000	216.726
p	Increase/decrease of other items	-550.227	-221.705
<b>2</b>	<b>Net cash flows from investing activities</b>	<b>-8.930.436</b>	<b>1.333.724</b>
a	Increase/decrease of investment in intangible assets	0	0
b	Increase/decrease of investment in tangible assets	-619.218	-176.211
c	Increase/decrease of investment in joint ventures, associates and subsidiaries	0	0
d	Increase/decrease of financial assets held to maturity	0	0
e	Increase/decrease of other investments	-8.311.218	1.509.935
<b>3</b>	<b>Net cash flows from financing activities</b>	<b>-1.117.619</b>	<b>-3.961.894</b>
a	Increase/decrease of loan receivables	0	0
b	Increase/decrease of liabilities from issued debt securities	0	0
c	Increase/decrease of liabilities from issued sub.instruments	0	0
d	Share capital payments and payments from owner of the Company	3.400.000	0
e	Payment of dividends and shares in profit	3.500.000	3.959.000
f	Increase/decrease of other items	-1.017.619	-2.894
<b>4</b>	<b>D) NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>343.792</b>	<b>-279.367</b>
<b>5</b>	<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>319.246</b>	<b>663.038</b>
<b>6</b>	<b>F) CASH AND CASH EQUIVALENTS AT THE REPORTING DATE</b>	<b>663.038</b>	<b>383.671</b>
<b>7</b>	<b>G) INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>0</b>	<b>0</b>

**STATEMENT OF CHANGES IN EQUITY**

	<b>Position</b>	<b>Previous period</b>	<b>Increase</b>	<b>Decrease</b>	<b>Current period</b>
1	Share capital at the report date	7.400.000	0	0	7.400.000
2	Own shares at the report date	0	0	0	0
3	Profit reserves at the report date	249.653	120.347	0	370.000
a)	Reserves for own shares	0	0	0	0
b)	Other profit reserves	249.653	120.347	0	370.000
4	Capital reserves	0	0	0	0
5	Retained earnings or transferred loss	2.981.621	1.954.597	3.966.352	969.866
6	Profit or loss for the year	2.059.665	1.414.302	2.059.665	1.414.302
7	Revaluation of financial assets available for sale	26.183	220.837	231.658	15.373
8	Revaluation of long term tangible assets	0	0	0	0
9	Revaluation of intangible assets	0	0	0	0
10	Other revaluation	0	0	0	0
11	Foreign exchange diff.from net investment in foreign operations	0	0	0	0
12	Change in accounting policies	0	0	0	0
13	Correction of prior perios errors	0	0	0	0
14	Other changes in capital	0	0	0	0
15	<b>Total equity and reserves</b>	<b>12.717.122</b>	<b>3.710.083</b>	<b>6.257.675</b>	<b>10.169.530</b>
a)	Attibutable to shareholders	0	0	0	0
b)	Attributable to minority interest	0	0	0	0