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UNAUDITED REPORT ON THE OPERATIONS
OF THE NOVA KBM GROUP
AND NOVA KBM D.D.

JANUARY – MARCH 2015



MAY 2015

 **Nova KBM**
READY FOR TOMORROW

Corporate governance bodies of Nova KBM as of 31 March 2015

Management Board of Nova KBM

| | |
|---------------------|-----------|
| Robert Senica | President |
| Sabina Župec Kranjc | Member |

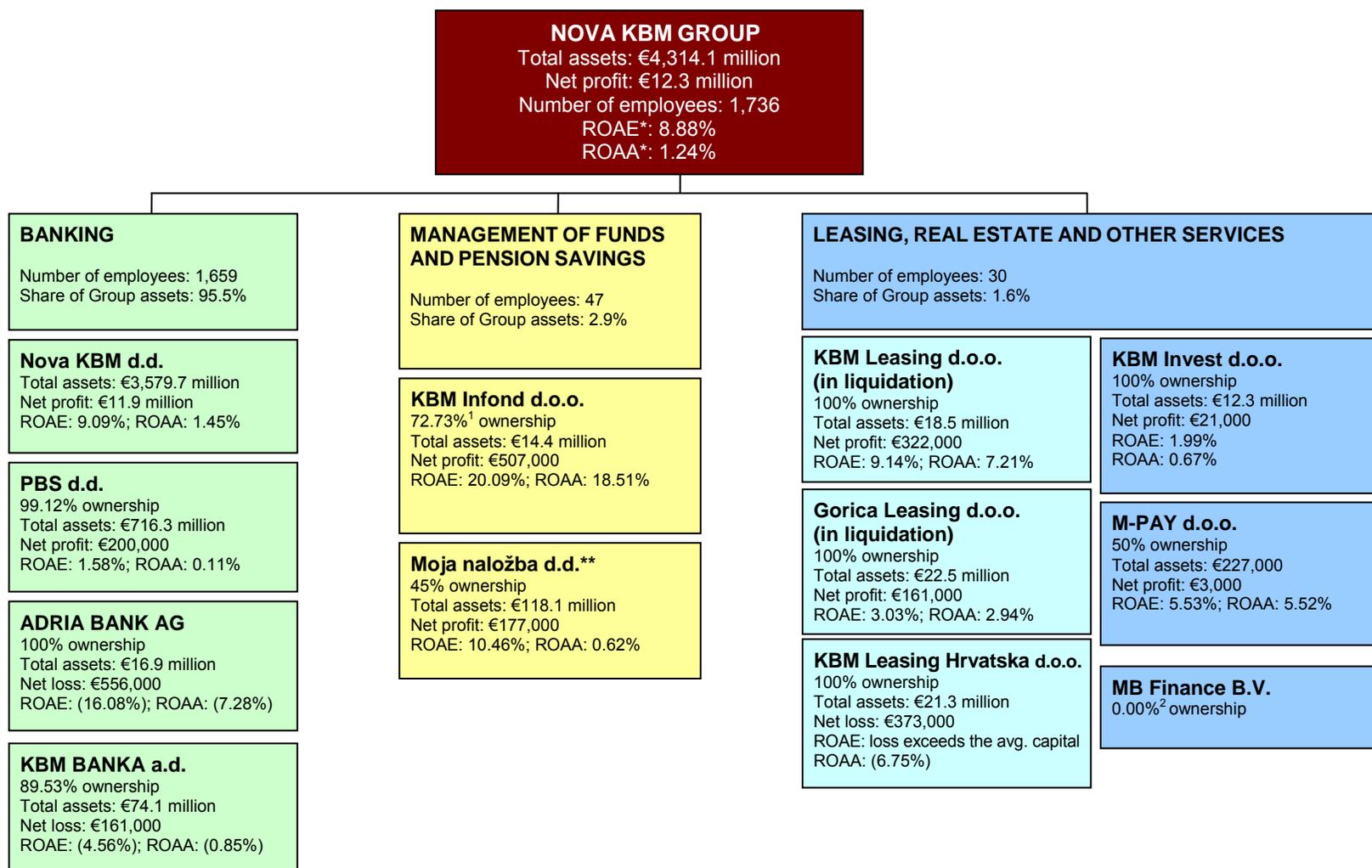
Executive Directors of Nova KBM

Aleksander Batič
Jernej Močnik
Vlasta Brečko
Primož Britovšek

Supervisory Board of Nova KBM

| | |
|----------------|--------------|
| Peter Kukovica | Chair |
| Niko Samec | Deputy Chair |
| Andrej Fatur | Member |
| Peter Kavčič | Member |
| Miha Glavič | Member |

| | |
|-------------------------------------------------------------------------------|---------------------------------------|
| Name of the parent bank: | Nova Kreditna banka Maribor d.d. |
| Short name of the parent bank: | Nova KBM d.d. |
| Registered office: | Ulica Vita Kraigherja 4, 2505 Maribor |
| BIC (SWIFT): | KBMASI2X |
| Reuters: | KBMS |
| IBAN: | SI56 0100 0000 0400 014 |
| Account No.: | 01000-0000400014 |
| Registration No.: | 5860580 |
| Entry No. in the register of companies kept by the Maribor District Court: | 062/10924200 |
| VAT ID No.: | SI94314527 |
| Share capital: | €150,000,000 |



* ROAE and ROAA are presented on a pre-tax basis.

** Associated company.

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.

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Key performance indicators of the Nova KBM Group and Nova KBM

| | Nova KBM Group | | | Nova KBM | | |
|---------------------------------------------------------------|---------------------|---------------------|------|---------------------|---------------------|------|
| | 2015 | 2014 | Ind. | 2015 | 2014 | Ind. |
| Statement of financial position (€000) | 31.3. | 31.12. | | 31.3. | 31.12. | |
| Total assets | 4,314,086 | 4,369,010 | 99 | 3,579,732 | 3,608,215 | 99 |
| Total deposits from the non-banking sector | 3,041,009 | 3,076,875 | 99 | 2,440,321 | 2,466,097 | 99 |
| Total loans and advances to the non-banking sector | 1,891,400 | 1,920,875 | 98 | 1,576,588 | 1,593,294 | 99 |
| Total equity | 636,285 | 616,357 | 103 | 597,533 | 580,347 | 103 |
| Income statement (€000) | 1.1. – 31.3. | 1.1. – 31.3. | | 1.1. – 31.3. | 1.1. – 31.3. | |
| Net interest income | 25,228 | 26,726 | 94 | 20,361 | 21,829 | 93 |
| Net fee and commission income | 13,396 | 13,661 | 98 | 9,677 | 10,209 | 95 |
| Net gains from trading in securities and foreign exchange | 3,357 | 5,843 | 57 | 3,062 | 5,348 | 57 |
| Other (expenses) | (288) | (703) | 41 | (550) | (1,163) | 47 |
| Operating costs | (23,328) | (24,490) | 95 | (16,885) | (17,292) | 98 |
| Impairment losses and provisions | (5,067) | (4,467) | 113 | (2,866) | (10,089) | 28 |
| Profit before tax from continuing and discontinued operations | 13,298 | 16,570 | 80 | 12,799 | 8,842 | 145 |
| Net profit for the reporting period | 12,263 | 16,364 | 75 | 11,911 | 8,922 | 134 |
| Ratios (%) | 31.3. | 31.12. | | 31.3. | 31.12. | |
| Interest margin | 2.37 | 2.38 | | 2.32 | 2.48 | |
| Total capital adequacy | 23.83 | 23.30 | | 26.38 | 25.75 | |
| Tier 1 capital adequacy | 23.83 | 23.30 | | 26.38 | 25.75 | |
| Common Equity Tier 1 capital adequacy | 23.83 | 23.30 | | 26.38 | 25.75 | |
| ROAA before tax | 1.24 | 0.40 | | 1.45 | 0.82 | |
| ROAE before tax | 8.88 | 3.07 | | 9.09 | 5.57 | |
| Operating costs/Average total assets | 2.19 | 2.23 | | 1.92 | 1.96 | |
| Operating costs/Income (CIR) | 55.95 | 62.14 | | 51.87 | 50.05 | |
| Net customer loans/Customer deposits (LTD) | 62.20 | 62.43 | | 64.61 | 64.61 | |
| Ratings (long-term) | | | | 31.3 | 31.12. | |
| | | | | Caa1 (Moody's) | Caa1 (Moody's) | |
| | | | | BB- (Fitch) | BB- (Fitch) | |

Significant events during the first quarter of 2015

January

- On 27 January, the PBS Supervisory Board appointed Marko Novak as the new President of the PBS Management Board, subject to approval of the Bank of Slovenia. Aleksander Jerenko was appointed as a substitute member of the Management Board.
- On 28 January, Vesna Užnik Đorić, a member of the KBM Banka Executive Board, ended her employment with KBM Banka.

February

- On 3 February, the National Bank of Serbia consented to the appointment of Nikola Fržović as a member of the KBM Banka Executive Board.
- On 27 February, the Nova KBM Supervisory Board took a decision to recall Aleš Hauc from the position of the President of the Nova KBM Management Board, and appointed Robert Senica as the new President. Sabina Župec Kranjc remained on the Management Board as a member.
- Nova KBM extended its offering of payment cards by introducing contactless payment cards, thereby enabling its customers to make payments in a simpler and faster manner, and to benefit from other advantages of using these payment cards.

March

- The competent authorities approved a document outlining the organisational activities to be carried out to accomplish the envisaged integration of PBS's operations into those of Nova KBM.
- On 17 March, Aleš Hauc stepped down as the Chair of the PBS Supervisory Board.
- On 23 March, Adria Bank returned to the Austrian Financial Market Authority (FMA) its licence for providing banking services.
- Also on 23 March, Damijan Podlesek was appointed as a new member of the KBM Invest Supervisory Board.

- As part of a socially responsible campaign called 'Donate a Book, Donate a Future', Nova KBM handed over to the Friends of Youth Association of Slovenia more than 2,200 books it had collected from its employees and customers.
- At the Slovene Advertising Festival, Nova KBM's trademark 'Sveta Vlada' (*Ruler of the World*) was awarded the main prize for the best digital marketing campaign, and the silver EFFIE prize for marketing and communication effectiveness.
- PBS added a car insurance service to the range of insurance brokerage services it provides. In addition, it offered its corporate customers the Activa Visa Business Electron debit card, and participated in the installation of the first bill payment machine of Pošta Slovenija (Post of Slovenia) which makes it possible for money order payments to be settled in cash.
- KBM Infond took over the management of the Perspektiva Umbrella Fund with six sub-funds.

Events after the end of the reporting period

April

- Nova KBM offered its customers new MasterCard and Visa charge cards that allow payments in instalments and NFC contactless payments, and the design of which may be customized by customers themselves.
- On 1 April, Marija Brenk became a member of the PBS Management Board. Mojca Mak remained on the PBS Management Board as a substitute member.
- On 7 April, Sabina Župec Kranjc, who had until then been acting as a member of the PBS Supervisory Board, was appointed as its Chair, while Boris Novak was appointed her deputy.

May

- On 19 May, Fitch Ratings downgraded Nova KBM's Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB-', with the rating having a stable outlook, and raised its Viability Rating by one notch, to 'b+' from 'b'. Nova KBM's Support Rating was downgraded to '5' from '3', while the Support Rating Floor was changed to 'No Floor' from 'BB-'.

Changes in the Supervisory Board of Nova KBM

There were no changes in the composition of the Nova KBM Supervisory Board in the first three months of 2015.

Statement of management's responsibilities

(pursuant to Article 113 of the Financial Instruments Market Act)

By signing this statement, the Nova KBM Management Board **confirms** to the best of its knowledge that:

- the financial report summary has been drawn up in accordance with the appropriate accounting framework of reporting and that it provides a true and fair view of the assets, liabilities, the financial position and the profit and loss of Nova KBM and other companies included in the consolidation as a whole, and
- the interim business report, which has been drawn up in accordance with the relevant accounting standard, provides a fair view of significant transactions with related persons.

Maribor, 26 May 2015

Management Board of Nova KBM d.d.



Sabina Župec Kranjc
Member



Robert Senica
President

Profile of the Nova KBM Group and Nova KBM

Nova KBM d.d. (herein also referred to as 'Nova KBM' or the 'Bank') is the parent company of the Nova KBM Group (herein also referred to as the 'Group') which, as of 31 March 2015, comprised the parent company and 10 subsidiary companies. Nova KBM is a commercial bank with a tradition of understanding and supporting its retail and corporate customers to whom it provides standard banking products. Its registered office is at Ulica Vita Kraigherja 4, 2505 Maribor, Republic of Slovenia.

Nova KBM is obliged to prepare consolidated financial statements.

Composition of the Nova KBM Group, including the associated company, as of 31 March 2015

| Company | Position in the Group | Group's voting rights in the company (%) |
|----------------------------------------|-----------------------|------------------------------------------|
| Nova Kreditna banka Maribor d.d. | parent bank | |
| Poštna banka Slovenije d.d. | subsidiary bank | 99.12 |
| Adria Bank AG | subsidiary bank | 100.00 |
| KBM Banka a.d. | subsidiary bank | 89.53 |
| KBM Infond d.o.o. | subsidiary company | 72.73 ¹ |
| KBM Leasing d.o.o. (in liquidation) | subsidiary company | 100.00 |
| KBM Invest d.o.o. | subsidiary company | 100.00 |
| Gorica Leasing d.o.o. (in liquidation) | subsidiary company | 100.00 |
| M-PAY d.o.o. | subsidiary company | 50.00 |
| KBM Leasing Hrvatska d.o.o. | subsidiary company | 100.00 |
| MB Finance B.V. | subsidiary company | 00.00 ² |
| Moja naložba d.d. | associated company | 45.00 |

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity, and the operations of this entity are considered to be immaterial to the Group.

Key performance indicators of individual Group companies for the three-month period ended 31 March 2015

| COMPANY | Number of employees 31.3.2015 | Net profit/(loss) (€000) | Total assets (€000) | ROAE before tax (%) | ROAA before tax (%) |
|----------------------------------------|----------------------------------|-----------------------------|------------------------|---------------------------|---------------------------|
| Nova KBM d.d. | 1,127 | 11,911 | 3,579,732 | 9.09 | 1.45 |
| Poštna banka Slovenije d.d. | 235 | 200 | 716,271 | 1.58 | 0.11 |
| Adria Bank AG | 27 | (556) | 16,927 | (16.08) | (7.28) |
| KBM Banka a.d. | 270 | (161) | 74,127 | (4.56) | (0.85) |
| KBM Infond d.o.o. | 33 | 507 | 14,424 | 20.09 | 18.51 |
| KBM Leasing d.o.o. (in liquidation) | 5 | 322 | 18,463 | 9.14 | 7.21 |
| KBM Invest d.o.o. | 8 | 21 | 12,269 | 1.99 | 0.67 |
| Gorica Leasing d.o.o. (in liquidation) | 9 | 161 | 22,448 | 3.03 | 2.94 |
| M-Pay d.o.o. | 0 | 3 | 227 | 5.53 | 5.52 |
| KBM Leasing Hrvatska d.o.o. | 8 | (373) | 21,318 | * | (6.75) |
| Moja naložba d.d. | 14 | 177 | 118,051 | 10.46 | 0.62 |

* The ratio was not calculated because the loss reported by the company exceeded its average capital.

Shareholder structure of Nova KBM and information about its shares

As of 31 March 2015, the share capital of Nova KBM totalled €150,000,000 and was split into 10,000,000 ordinary no-par-value shares, all of which were held by the Republic of Slovenia. Nova KBM shares, with the ticker symbol KBMS, are not quoted on a regulated stock market.

Nova KBM has issued only one class of shares which are all freely transferable and bear the same rights. Each ordinary share entitles its holder to one vote at the Bank Shareholders' Meeting. The rights of the holders of ordinary shares are set out in the relevant legislation of the Republic of Slovenia.

Information about shares

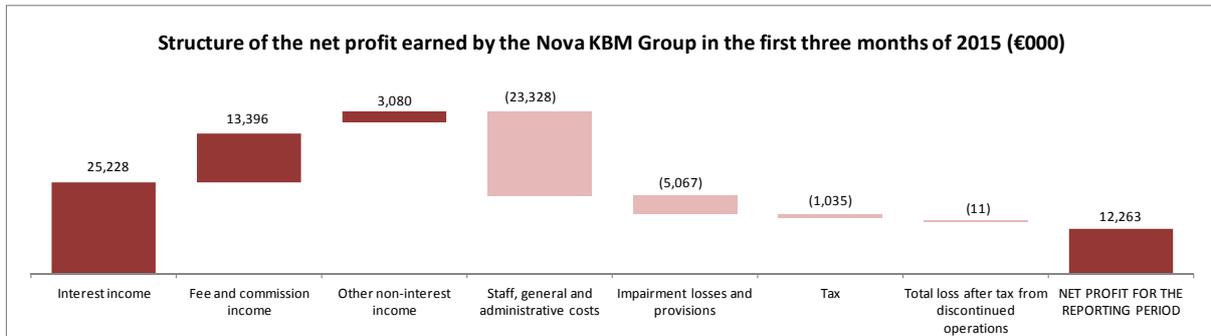
| | Nova KBM Group | | | | Nova KBM | | | |
|------------------------------------------------|----------------|----------|----------|----------|----------|----------|----------|----------|
| | 31.3.15 | 31.12.14 | 31.12.13 | 31.12.12 | 31.3.15 | 31.12.14 | 31.12.13 | 31.12.12 |
| Book value per share ³ (€) | 63.31 | 61.34 | 56.67 | 5.37 | 59.75 | 58.03 | 51.77 | 4.92 |
| Net earnings/(loss) per share ⁴ (€) | 4.84 | 2.19 | (63.05) | (5.25) | 4.76 | 3.59 | (65.65) | (5.20) |

³ Book value per share on the last day of the reporting period is calculated as the ratio between the Bank's total equity (for the Group: equity attributable to owners of the parent) and the total number of Bank shares outstanding at the end of the reporting period.

⁴ Net earnings or loss per share is calculated as the ratio between the Bank's annualised net profit or loss (for the Group: net profit or loss attributable to owners of the parent) and the weighted average number of Bank shares in the period. The total number of KBMS shares outstanding at the end of the reporting period was taken into account in the calculation of the 2013 net loss and the 2014 net earnings per share.

Operating results of the Nova KBM Group

For the three-month period ended 31 March 2015, the Nova KBM Group reported a **net profit** of €12,263,000, compared to a net profit of €16,364,000 reported for the same period last year. Total income earned by the Group declined year-on-year by 8.4% and totalled €41,693,000, of which €25,228,000 was attributable to net interest income and €13,396,000 was attributable to net fee and commission income. Operating costs incurred by the Group in the first three months of 2015 totalled €23,328,000, down 4.7% on the comparable period last year, while net provisioning charges set aside by the Group from January through March 2015 totalled €5,067,000, an increase from the same period last year when these charges reached €4,467,000.



Net interest income earned by the Group in the first three months of the year reached €25,228,000, down €1,498,000, or 5.6%, on the same period last year, with interest income and interest expenses registering a year-on-year decline of 20.9% and 48.1%, respectively. The year-on-year decline in interest income was attributable mainly to a reduction in the lending volume and interest rates on loans recorded by Nova KBM, but also due to lower business volumes registered by other Group companies. The decline in interest expenses was attributable mainly to a reduction in deposit interest rates.

The structure of interest income and interest expenses by market segment and type of assets and liabilities for both the Group and the Bank is presented in the notes to the financial statements.

Net fee and commission income generated by the Group in the first three months of the year was below the level of the same period last year. Both fee and commission income, and fee and commission expenses registered a decline, with fees earned on payment services declining the most. The structure of fees and commissions for both the Group and the Bank is presented in the notes to the financial statements.

Other non-interest income⁵ was €3,069,000, down from €5,140,000 reported for the same period last year. The year-on-year decline in this income category was driven mainly by a reduction in gains earned on financial assets designated at fair value through profit or loss (a substantial proportion of gains earned in the first three months of 2014 resulted from the increase in the prices of shares that Nova KBM held in its portfolios).

Operating costs (administration costs, including depreciation and amortisation) incurred by the Group in the first three months of the year totalled €23,328,000, down 4.7% on the same period last year, with Group banks registering the largest drop. As regards the composition of operating costs, staff costs accounted for 49.5% of the total operating costs, followed by general and administrative costs (36.3%), and depreciation and amortisation (14.2%). The Group's cost-to-income ratio stood at 55.95% in the first three months of the year.

The Group's **net provisioning charges** totalled €5,067,000 in the first three months of the year, compared to €4,467,000 reported for the same period last year. The structure of provisions and impairment losses by type of assets for both the Group and the Bank is displayed in the notes to the financial statements.

The Group expects to end the financial year of 2015 with a profit.

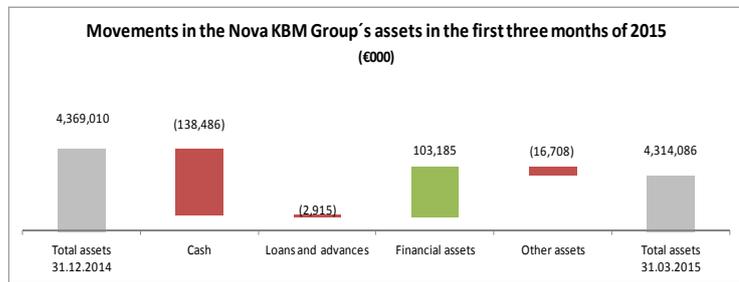
5 Other non-interest income includes: realised gains or losses on financial assets and liabilities not measured at fair value through profit or loss; net gains or losses on financial assets and liabilities held for trading; gains or losses on financial assets and liabilities designated at fair value through profit or loss; net exchange rate differences; net gains or losses on derecognition of assets other than non-current assets held for sale; other net operating income or loss; share of profits or losses of associates and joint ventures accounted for using the equity method; net gains or losses from non-current assets held for sale and liabilities associated therewith; and total profit or loss after tax from discontinued operations.

Financial position of the Nova KBM Group

At the end of March 2015, the **Group's total assets** amounted to €4,314,086,000, down 1.3%, or €54,924,000, on the end of 2014. The decline in total assets was in line with the requirements of the European Commission.

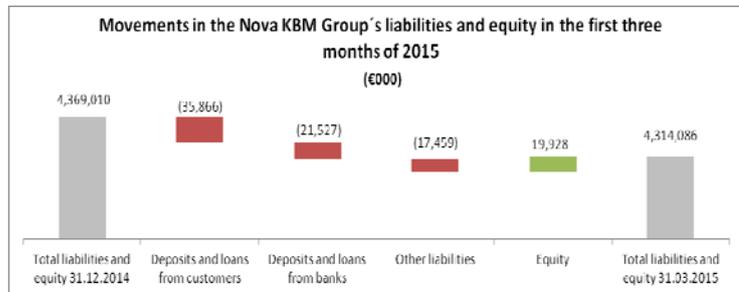
The decline in the **balance of cash funds** was largely attributable to a reduction in the volume of deposits held by Nova KBM with the central bank and commercial banks.

The decline in the volume of **loans** in the first three months of the year was mostly the result of a reduction in loans outstanding to the non-banking sector. This decline was partially offset by a marginal increase in loans outstanding to banks.



The balance of the Group's **financial assets** saw an increase in the first three months of the year, largely due to Nova KBM enlarging its portfolio of available-for-sale financial assets by purchasing some additional securities.

The decline in **deposits and loans from customers** was chiefly attributable to a reduction in current and non-current deposits placed with Nova KBM.



As of 31 March 2015, the Group's **total equity** amounted to €636,285,000, an increase of 3.2%

from the end of last year, with its **total capital adequacy ratio** standing at 23.83%. The composition of the Group's equity is presented in the notes to the financial statements.

As a result of a decline in both net loans outstanding to the non-banking sector and deposits from the non-banking sector, the loan-to-deposit ratio (**net LTD ratio**) contracted in the first three months of the year by 0.23 percentage points, to 62.20% at the end of March 2015.

The Group is consistently implementing its restructuring programme and is scaling down its business volumes and risk-weighted assets in accordance with the commitments it has given to the European Commission.

**UNAUDITED INTERIM FINANCIAL
REPORT OF THE**

**NOVA KBM GROUP
AND
NOVA KBM**

JANUARY – MARCH 2015

FINANCIAL STATEMENTS

NOVA KBM GROUP AND NOVA KBM

1 Interim Income Statement

€000

| ITEM DESCRIPTION | Notes | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------------------------------------------|----------|--------------------|--------------------|--------------------|--------------------|
| | | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 |
| Interest income | 8 | 33,068 | 41,826 | 27,314 | 34,690 |
| Interest expenses | 8 | (7,840) | (15,100) | (6,953) | (12,861) |
| Net interest income | 8 | 25,228 | 26,726 | 20,361 | 21,829 |
| Fee and commission income | 9 | 20,012 | 20,835 | 10,534 | 10,994 |
| Fee and commission expenses | 9 | (6,616) | (7,174) | (857) | (785) |
| Net fee and commission income | 9 | 13,396 | 13,661 | 9,677 | 10,209 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 10 | 1,949 | 2,650 | 1,791 | 2,270 |
| Net (losses) on financial assets and liabilities held for trading | 11 | (7,483) | (876) | (7,608) | (1,014) |
| Net gains on financial assets and liabilities designated at fair value through profit or loss | 12 | 96 | 3,696 | 96 | 3,696 |
| Net exchange rate differences | 13 | 8,795 | 373 | 8,783 | 396 |
| Net gains/(losses) on derecognition of assets other than non-current assets held for sale | - | 22 | (10) | (5) | 44 |
| Other net operating (loss) | - | (440) | (722) | (606) | (1,271) |
| Administration costs | 14 | (20,013) | (20,740) | (14,419) | (14,404) |
| Depreciation and amortisation | - | (3,315) | (3,750) | (2,466) | (2,888) |
| Provisions | 15 | (4) | 1,003 | (666) | (1,407) |
| Impairment losses | 16 | (5,063) | (5,470) | (2,200) | (8,682) |
| Share of profits of associates and joint ventures accounted for using the equity method | - | 80 | 35 | 0 | 0 |
| Total profit from non-current assets and disposal groups classified as held for sale | - | 61 | 64 | 61 | 64 |
| PROFIT FROM CONTINUING OPERATIONS | - | 13,309 | 16,640 | 12,799 | 8,842 |
| Tax (expense)/income related to profit or loss from continuing operations | 17 | (1,035) | (206) | (888) | 80 |
| NET PROFIT FROM CONTINUING OPERATIONS | - | 12,274 | 16,434 | 11,911 | 8,922 |
| Total (loss) after tax from discontinued operations | - | (11) | (70) | 0 | 0 |
| NET PROFIT FOR THE REPORTING PERIOD | - | 12,263 | 16,364 | 11,911 | 8,922 |
| a) Attributable to owners of the parent | - | 12,110 | 13,803 | 11,911 | 8,922 |
| – continuing operations | - | 12,133 | 13,858 | 11,911 | 8,922 |
| – discontinued operations | - | (23) | (55) | 0 | 0 |
| b) Attributable to non-controlling interests | - | 153 | 2,561 | 0 | 0 |
| – continuing operations | - | 141 | 2,576 | 0 | 0 |
| – discontinued operations | - | 12 | (15) | 0 | 0 |
| Basic earnings per share (€) | - | 1.21 | 1.38 | 1.19 | 0.89 |
| Diluted earnings per share (€) | - | 1.21 | 1.38 | 1.19 | 0.89 |

The accompanying notes form an integral part of these financial statements.

1.1 Interim Income Statement – displayed by quarter

| Nova KBM Group ITEM DESCRIPTION | 2015 | | | | 2014 |
|--------------------------------------------------------------------------------------------------------|---------------|----------------|---------------|---------------|---------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| Interest income | 33,068 | 39,159 | 40,408 | 39,862 | 41,826 |
| Interest expenses | (7,840) | (10,143) | (11,716) | (13,570) | (15,100) |
| Net interest income | 25,228 | 29,016 | 28,692 | 26,292 | 26,726 |
| Dividend income | 0 | 29 | 953 | 64 | 0 |
| Fee and commission income | 20,012 | 21,366 | 21,114 | 22,128 | 20,835 |
| Fee and commission expenses | (6,616) | (7,708) | (7,206) | (7,396) | (7,174) |
| Net fee and commission income | 13,396 | 13,658 | 13,908 | 14,732 | 13,661 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 1,949 | 6,188 | 472 | 5,790 | 2,650 |
| Net gains/(losses) on financial assets and liabilities held for trading | (7,483) | 350 | (601) | 231 | (876) |
| Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss | 96 | (1,829) | 2,798 | 1,053 | 3,696 |
| Net exchange rate differences | 8,795 | 118 | 448 | 273 | 373 |
| Net gains/(losses) on derecognition of assets other than non-current assets held for sale | 22 | (160) | 412 | (81) | (10) |
| Other net operating (loss) | (440) | (504) | (984) | (799) | (722) |
| Administration costs | (20,013) | (24,945) | (21,599) | (21,862) | (20,740) |
| Depreciation and amortisation | (3,315) | (3,547) | (3,509) | (3,656) | (3,750) |
| Provisions | (4) | 10,430 | 1,496 | 2,568 | 1,003 |
| Impairment losses | (5,063) | (22,273) | (15,449) | (16,819) | (5,470) |
| Share of profits/(losses) of associates and joint ventures accounted for using the equity method | 80 | (13) | 66 | 66 | 35 |
| Total profit/(loss) from non-current assets and disposal groups classified as held for sale | 61 | (323) | 174 | 0 | 64 |
| PROFIT FROM CONTINUING OPERATIONS | 13,309 | 6,195 | 7,277 | 7,852 | 16,640 |
| Tax (expense)/income related to profit or loss from continuing operations | (1,035) | 9,243 | (1,604) | (3,009) | (206) |
| NET PROFIT FROM CONTINUING OPERATIONS | 12,274 | 15,438 | 5,673 | 4,843 | 16,434 |
| Total (loss) after tax from discontinued operations | (11) | (18,581) | (125) | (331) | (70) |
| NET PROFIT/(LOSS) FOR THE REPORTING PERIOD | 12,263 | (3,143) | 5,548 | 4,512 | 16,364 |
| a) Attributable to owners of the parent | 12,110 | (1,729) | 5,457 | 4,367 | 13,803 |
| – continuing operations | 12,133 | 15,381 | 5,563 | 4,656 | 13,858 |
| – discontinued operations | (23) | (17,110) | (106) | (289) | (55) |
| b) Attributable to non-controlling interests | 153 | (1,414) | 91 | 145 | 2,561 |
| – continuing operations | 141 | 57 | 110 | 187 | 2,576 |
| – discontinued operations | 12 | (1,471) | (19) | (42) | (15) |
| Basic earnings/(loss) per share (€) | 1.21 | (0.17) | 0.55 | 0.44 | 1.38 |
| Diluted earnings/(loss) per share (€) | 1.21 | (0.17) | 0.55 | 0.44 | 1.38 |

| €000 | | | | | |
|--------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Nova KBM d.d. | 2015 | | | | 2014 |
| ITEM DESCRIPTION | Q1 | Q4 | Q3 | Q2 | Q1 |
| Interest income | 27,314 | 34,201 | 34,120 | 33,727 | 34,690 |
| Interest expenses | (6,953) | (8,738) | (10,079) | (11,469) | (12,861) |
| Net interest income | 20,361 | 25,463 | 24,041 | 22,258 | 21,829 |
| Dividend income | 0 | 29 | 898 | 488 | 0 |
| Fee and commission income | 10,534 | 11,822 | 11,432 | 11,915 | 10,994 |
| Fee and commission expenses | (857) | (1,185) | (1,013) | (1,058) | (785) |
| Net fee and commission income | 9,677 | 10,637 | 10,419 | 10,857 | 10,209 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 1,791 | 3,758 | 421 | 3,754 | 2,270 |
| Net gains/(losses) on financial assets and liabilities held for trading | (7,608) | 194 | (841) | 43 | (1,014) |
| Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss | 96 | (1,828) | 2,798 | 1,052 | 3,696 |
| Net exchange rate differences | 8,783 | 208 | 480 | 154 | 396 |
| Net gains/(losses) on derecognition of assets other than non-current assets held for sale | (5) | 3,274 | 379 | 0 | 44 |
| Other net operating (loss) | (606) | (983) | (1,357) | (1,472) | (1,271) |
| Administration costs | (14,419) | (17,827) | (15,550) | (15,398) | (14,404) |
| Depreciation and amortisation | (2,466) | (2,567) | (2,631) | (2,780) | (2,888) |
| Provisions | (666) | 3,774 | 1,657 | 4,436 | (1,407) |
| Impairment losses | (2,200) | (13,676) | (14,754) | (14,427) | (8,682) |
| Total profit/(loss) from non-current assets and disposal groups classified as held for sale | 61 | (215) | 174 | 0 | 64 |
| PROFIT FROM CONTINUING OPERATIONS | 12,799 | 10,241 | 6,134 | 8,965 | 8,842 |
| Tax (expense)/income related to profit or loss from continuing operations | (888) | 9,560 | (1,490) | (3,065) | 80 |
| NET PROFIT FROM CONTINUING OPERATIONS | 11,911 | 19,801 | 4,644 | 5,900 | 8,922 |
| Total (loss) after tax from discontinued operations | 0 | (1,675) | (1,676) | 0 | 0 |
| NET PROFIT FOR THE REPORTING PERIOD | 11,911 | 18,126 | 2,968 | 5,900 | 8,922 |
| Basic earnings per share (€) | 1.19 | 1.81 | 0.30 | 0.59 | 0.89 |
| Diluted earnings per share (€) | 1.19 | 1.81 | 0.30 | 0.59 | 0.89 |

2 Interim Statement of Other Comprehensive Income

€000

| ITEM DESCRIPTION | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 |
| NET PROFIT FOR THE REPORTING PERIOD AFTER TAX | 12,263 | 16,364 | 11,911 | 8,922 |
| OTHER COMPREHENSIVE INCOME AFTER TAX | 7,665 | 23,176 | 5,271 | 16,645 |
| ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS | 7,665 | 23,176 | 5,271 | 16,645 |
| Foreign currency translation | 0 | 14 | 0 | 0 |
| – translation gains taken to equity | 0 | 14 | 0 | 0 |
| Available-for-sale financial assets | 9,119 | 28,050 | 6,351 | 20,054 |
| – valuation gains taken to equity | 9,119 | 28,062 | 6,351 | 20,054 |
| – transferred to profit or loss | 0 | (12) | 0 | 0 |
| Share of profits/(losses) of associates and joint ventures accounted for using the equity method | 32 | (55) | 0 | 0 |
| Net profit/(loss) related to discontinued operations | 64 | (61) | 0 | 0 |
| Income tax relating to items that may be reclassified to profit or loss | (1,550) | (4,772) | (1,080) | (3,409) |
| TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD AFTER TAX | 19,928 | 39,540 | 17,182 | 25,567 |
| a) Attributable to owners of the parent | 19,694 | 36,907 | 17,182 | 25,567 |
| – continuing operations | 19,660 | 37,017 | 17,182 | 25,567 |
| – discontinued operations | 34 | (110) | 0 | 0 |
| b) Attributable to non-controlling interests | 234 | 2,633 | 0 | 0 |
| – continuing operations | 215 | 2,654 | 0 | 0 |
| – discontinued operations | 19 | (21) | 0 | 0 |

The accompanying notes form an integral part of these financial statements.

2.1 Interim Statement of Other Comprehensive Income – presented by quarter

| Nova KBM Group ITEM DESCRIPTION | 2015 | | | | 2014 |
|---------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| NET PROFIT/(LOSS) FOR THE REPORTING PERIOD AFTER TAX | 12,263 | (3,143) | 5,548 | 4,512 | 16,364 |
| OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX | 7,665 | (4,546) | 7,098 | 7,480 | 23,176 |
| ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | 0 | (819) | 0 | 0 | 0 |
| Actuarial net (losses) on defined benefit pension plans | 0 | (858) | 0 | 0 | 0 |
| Net (losses) related to non-current assets and disposal groups classified as held for sale | 0 | (6) | 0 | 0 | 0 |
| Income tax relating to items that will not be reclassified to profit or loss | 0 | 45 | 0 | 0 | 0 |
| ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS | 7,665 | (3,727) | 7,098 | 7,480 | 23,176 |
| Foreign currency translation | 0 | (4) | 9 | (67) | 14 |
| – valuation gains/(losses) taken to equity | 0 | (4) | 9 | (67) | 14 |
| Available-for-sale financial assets | 9,119 | (4,406) | 8,974 | 9,194 | 28,050 |
| – valuation gains/(losses) taken to equity | 9,119 | (4,421) | 8,974 | 9,192 | 28,062 |
| – transferred to profit or loss | 0 | 15 | 0 | 2 | (12) |
| Share of profits/(losses) of associates and joint ventures accounted for using the equity method | 32 | 92 | 6 | 9 | (55) |
| Net profit/(loss) related to discontinued operations | 64 | (177) | (377) | (82) | (61) |
| Income tax relating to items that may be reclassified to profit or loss | (1,550) | 768 | (1,514) | (1,574) | (4,772) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE REPORTING PERIOD AFTER TAX | 19,928 | (7,689) | 12,646 | 11,992 | 39,540 |
| a) Attributable to owners of the parent | 19,694 | (6,229) | 12,553 | 11,805 | 36,907 |
| – continuing operations | 19,660 | 11,044 | 12,997 | 12,167 | 37,017 |
| – discontinued operations | 34 | (17,273) | (444) | (362) | (110) |
| b) Attributable to non-controlling interests | 234 | (1,460) | 93 | 187 | 2,633 |
| – continuing operations | 215 | 31 | 151 | 238 | 2,654 |
| – discontinued operations | 19 | (1,491) | (58) | (51) | (21) |

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| Nova KBM d.d. ITEM DESCRIPTION | 2015 | | | | 2014 |
|--------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Q1 | Q4 | Q3 | Q2 | Q1 |
| NET PROFIT FOR THE REPORTING PERIOD AFTER TAX | 11,911 | 18,126 | 2,968 | 5,900 | 8,922 |
| OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX | 5,271 | (2,323) | 5,786 | 6,611 | 16,645 |
| ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS | 0 | (700) | 0 | 0 | 0 |
| Actuarial net (losses) on defined benefit pension plans | 0 | (725) | 0 | 0 | 0 |
| Income tax relating to items that will not be reclassified to profit or loss | 0 | 25 | 0 | 0 | 0 |
| ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS | 5,271 | (1,623) | 5,786 | 6,611 | 16,645 |
| Available-for-sale financial assets | 6,351 | (1,955) | 6,971 | 7,966 | 20,054 |
| – valuation gains/(losses) taken to equity | 6,351 | (1,955) | 6,971 | 7,966 | 20,054 |
| Income tax relating to items that may be reclassified to profit or loss | (1,080) | 332 | (1,185) | (1,355) | (3,409) |
| TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD AFTER TAX | 17,182 | 15,803 | 8,754 | 12,511 | 25,567 |
| – continuing operations | 17,182 | 17,478 | 10,430 | 12,511 | 25,567 |
| – discontinued operations | 0 | (1,675) | (1,676) | 0 | 0 |

3 Interim Statement of Financial Position

€000

| ITEM DESCRIPTION | Notes | Nova KBM Group | | Nova KBM d.d. | |
|----------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| | | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Cash, cash balances at central banks and other demand deposits at banks | 18 | 283,778 | 422,264 | 209,678 | 335,417 |
| Financial assets held for trading | 19 | 2,423 | 1,841 | 684 | 187 |
| Financial assets designated at fair value through profit or loss | 20 | 17,953 | 17,857 | 17,953 | 17,857 |
| Available-for-sale financial assets | 21 | 1,608,557 | 1,482,120 | 1,395,652 | 1,275,213 |
| Loans and advances | - | 1,988,427 | 1,991,342 | 1,674,554 | 1,664,347 |
| – loans and advances to banks | 22 | 74,532 | 50,124 | 84,281 | 59,299 |
| – loans and advances to customers | 23 | 1,891,400 | 1,920,875 | 1,576,588 | 1,593,294 |
| – other financial assets | 24 | 22,495 | 20,343 | 13,685 | 11,754 |
| Held-to-maturity financial assets | 25 | 182,610 | 206,540 | 65,115 | 89,950 |
| Non-current assets held for sale and discontinued operations | - | 56,008 | 61,273 | 740 | 865 |
| Property, plant and equipment | - | 60,105 | 61,431 | 51,552 | 52,570 |
| Investment property | - | 36,553 | 36,759 | 29,077 | 29,188 |
| Intangible assets | - | 23,976 | 25,483 | 13,073 | 14,335 |
| Investments in the equity of subsidiaries, associates and joint ventures accounted for using the equity method | - | 3,276 | 3,164 | 96,764 | 96,764 |
| Tax assets | - | 11,036 | 12,984 | 10,337 | 12,291 |
| – current tax assets | - | 331 | 258 | 16 | 2 |
| – deferred tax assets | - | 10,705 | 12,726 | 10,321 | 12,289 |
| Other assets | - | 39,384 | 45,952 | 14,553 | 19,231 |
| TOTAL ASSETS | | 4,314,086 | 4,369,010 | 3,579,732 | 3,608,215 |
| Financial liabilities held for trading | - | 3,397 | 1,229 | 3,397 | 1,170 |
| Financial liabilities measured at amortised cost | 26 | 3,520,219 | 3,585,893 | 2,892,428 | 2,935,277 |
| – deposits from banks and central banks | 26 | 1,746 | 20,875 | 12,506 | 11,780 |
| – deposits from customers | 26 | 3,038,276 | 3,074,146 | 2,437,588 | 2,463,368 |
| – loans from banks and central banks | 26 | 391,815 | 394,213 | 362,789 | 363,552 |
| – loans from customers | 26 | 2,733 | 2,729 | 2,733 | 2,729 |
| – debt securities issued | - | 52,284 | 59,129 | 54,255 | 67,452 |
| – subordinated liabilities | 26 | 1,250 | 1,250 | 0 | 0 |
| – other financial liabilities | 26 | 32,115 | 33,551 | 22,557 | 26,396 |
| Liabilities included in disposal groups classified as held for sale and discontinued operations | - | 54,682 | 59,823 | 0 | 0 |
| Provisions | 27 | 82,634 | 83,011 | 75,138 | 74,605 |
| Tax liabilities | - | 4,842 | 4,557 | 2,494 | 2,494 |
| – current tax liabilities | - | 2,835 | 3,021 | 2,494 | 2,494 |
| – deferred tax liabilities | - | 2,007 | 1,536 | 0 | 0 |
| Other liabilities | - | 12,027 | 18,140 | 8,742 | 14,322 |
| TOTAL LIABILITIES | | 3,677,801 | 3,752,653 | 2,982,199 | 3,027,868 |
| Share capital | 28 | 150,000 | 150,000 | 150,000 | 150,000 |
| Share premium | - | 360,572 | 360,572 | 360,572 | 360,572 |
| Accumulated other comprehensive income | 29 | 50,356 | 42,841 | 39,130 | 33,859 |
| Translation reserves | - | (3,139) | (3,208) | 0 | 0 |
| Reserves from profit | 30 | 27,895 | 27,895 | 27,389 | 27,389 |
| Retained earnings (including net profit for the reporting period) | - | 47,448 | 35,338 | 20,442 | 8,527 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | 633,132 | 613,438 | 597,533 | 580,347 |
| Equity attributable to non-controlling interests | - | 3,153 | 2,919 | 0 | 0 |
| TOTAL EQUITY | | 636,285 | 616,357 | 597,533 | 580,347 |
| TOTAL LIABILITIES AND EQUITY | | 4,314,086 | 4,369,010 | 3,579,732 | 3,608,215 |

The accompanying notes form an integral part of these financial statements.

4 Interim Statement of Cash Flows

€000

| Designation | ITEM DESCRIPTION | Nova KBM Group | | Nova KBM d.d. | |
|-------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 |
| A. | CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| a) | Total profit before tax | 13,298 | 16,571 | 12,799 | 8,842 |
| | Depreciation and amortisation | 3,484 | 3,941 | 2,466 | 2,888 |
| | Impairment of available-for-sale financial assets | 0 | 1,000 | 0 | 986 |
| | Impairment of loans and advances | 5,206 | 4,961 | 2,087 | 7,676 |
| | (Reversal of impairment) of held-to-maturity financial assets | (413) | (1) | 0 | 0 |
| | Impairment/(reversal of impairment) of tangible assets, investment property, intangible assets and other assets | 206 | (465) | 113 | 20 |
| | Share of (profits) of associates and joint ventures accounting for using the equity method | (80) | (35) | 0 | 0 |
| | Net (gains) from exchange rate differences | (8,688) | (375) | (8,783) | (396) |
| | Net (gains)/losses from the sale of tangible assets and investment properties | (29) | 91 | 5 | (44) |
| | Other (gains) from investing activities | (1,101) | (2,358) | (583) | (1,508) |
| | Net unrealised (gains) from non-current assets held for sale and discontinued operations and liabilities associated therewith | (63) | (68) | (61) | (64) |
| | Other adjustments to total profit or loss before tax | (57) | (1,284) | 666 | 1,407 |
| | Cash flow from operating activities before changes in operating assets and liabilities | 11,763 | 21,978 | 8,709 | 19,807 |
| b) | (Increase)/decrease in operating assets (excluding cash equivalents) | (76,382) | 50,706 | (85,644) | 15,410 |
| | Net (increase)/decrease in financial assets held for trading | (587) | (224) | (500) | 206 |
| | Net (increase)/decrease in financial assets designated at fair value through profit or loss | (96) | 942 | (96) | 942 |
| | Net (increase) in available-for-sale financial assets | (114,743) | (29,262) | (114,088) | (13,643) |
| | Net decrease in loans and advances | 32,356 | 77,621 | 23,860 | 28,654 |
| | Net decrease in non-current assets held for sale | 19 | 88 | 125 | 87 |
| | Net (increase)/decrease in other assets | 6,669 | 1,541 | 5,055 | (836) |
| c) | Increase/(decrease) in operating liabilities | (82,043) | 47,100 | (52,148) | 55,282 |
| | Net increase in financial liabilities held for trading | 2,168 | 246 | 2,227 | 329 |
| | Net increase/(decrease) in deposits, loans and advances measured at amortised cost | (70,488) | 42,351 | (35,333) | 51,423 |
| | Net increase/(decrease) in debt securities in issue measured at amortised cost | (6,845) | 3,372 | (13,197) | 3,100 |
| | Net increase/(decrease) in other liabilities | (6,878) | 1,131 | (5,845) | 430 |
| d) | Cash flow from operating activities (a + b + c) | (146,662) | 119,784 | (129,083) | 90,499 |
| e) | Income taxes (paid)/refunded | (337) | 89 | 0 | 0 |
| f) | Net cash flow from operating activities (d + e) | (146,999) | 119,873 | (129,083) | 90,499 |

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| Designation | ITEM DESCRIPTION | Nova KBM Group | | Nova KBM d.d. | |
|-------------|----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 |
| B. | CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| a) | Receipts from investing activities | 39,112 | 29,240 | 25,444 | 22,036 |
| | Receipts from the sale of tangible assets and investment properties | 309 | 717 | 27 | 222 |
| | Receipts from the sale of intangible assets | 21 | 1 | 0 | 0 |
| | Receipts from non-current assets or liabilities held for sale | 0 | 117 | 0 | 0 |
| | Receipts from the sale of held-to-maturity financial assets | 38,782 | 28,405 | 25,417 | 21,814 |
| | Other receipts from investing activities | 0 | 0 | 0 | 0 |
| b) | Cash payments on investing activities | (14,609) | (9,194) | (708) | (992) |
| | (Cash payments to acquire tangible assets and investment properties) | (166) | (447) | (115) | (294) |
| | (Cash payments to acquire intangible assets) | (1,117) | (841) | (593) | (698) |
| | (Cash payments to acquire held-to-maturity financial assets) | (13,326) | (7,906) | 0 | 0 |
| c) | Net cash flow from investing activities (a + b) | 24,503 | 20,046 | 24,736 | 21,044 |
| C. | CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| b) | Cash proceeds from financing activities | 0 | (1) | 0 | (1) |
| | (Dividends and shares in profits paid) | 0 | (1) | 0 | (1) |
| c) | Net cash flow from financing activities (a + b) | 0 | (1) | 0 | (1) |
| D. | Effects of change in exchange rates on cash and cash equivalents | 732 | 453 | 366 | 585 |
| E. | Net increase/(decrease) in cash and cash equivalents (Af + Bc + Cc) | (122,496) | 139,918 | (104,347) | 111,542 |
| F. | Opening balance of cash and cash equivalents | 477,831 | 557,246 | 365,599 | 453,124 |
| G. | Closing balance of cash and cash equivalents (D + E + F) | 356,067 | 697,617 | 261,618 | 565,251 |

The statement of cash flows includes cash flows, cash and cash equivalents in respect of discontinued operations. Reconciliation of cash and cash equivalents with the statement of financial position items is presented in Note 18.1.

The balance of cash and cash equivalents as of 31 March 2014 amounted to €697,617,000 and was made up of cash and balances with the central bank, in the amount of €630,672,000, and loans and advances to banks with an original maturity of up to three months, in the amount of €66,945,000.

Cash Flows from Interest, Dividends and Participation in Profits

€000

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 | 1.1.– 31.3.2015 | 1.1.– 31.3.2014 |
| Interest paid | (14,032) | (20,502) | (10,939) | (17,870) |
| Interest received | 48,157 | 48,484 | 32,089 | 36,846 |
| Dividends and participation in profits paid | 0 | (1) | 0 | (1) |

The accompanying notes form an integral part of these financial statements.

5 Interim Statement of Changes in Equity

Interim statement of changes in equity of the Nova KBM Group for the three months ended 31 March 2015

€000

| ITEM DESCRIPTION | Share capital | Share premium | Accumulated other comprehensive income | Translation reserves | Reserves from profit | Retained earnings (including net profit for the reporting period) | Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total equity |
|---------------------------------------------------------------|----------------|----------------|----------------------------------------|----------------------|----------------------|-------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 42,841 | (3,208) | 27,895 | 35,338 | 613,438 | 2,919 | 616,357 |
| Total comprehensive income for the reporting period after tax | 0 | 0 | 7,515 | 69 | 0 | 12,110 | 19,694 | 234 | 19,928 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 50,356 | (3,139) | 27,895 | 47,448 | 633,132 | 3,153 | 636,285 |

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of Nova KBM d.d. for the three months ended 31 March 2015

€000

| ITEM DESCRIPTION | Share capital | Share premium | Accumulated other comprehensive income | Reserves from profit | Retained earnings (including net profit for the reporting period) | Total equity |
|---------------------------------------------------------------|----------------|----------------|----------------------------------------|----------------------|-------------------------------------------------------------------|----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 33,859 | 27,389 | 8,527 | 580,347 |
| Total comprehensive income for the reporting period after tax | 0 | 0 | 5,271 | 0 | 11,911 | 17,182 |
| Other | 0 | 0 | 0 | 0 | 4 | 4 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 39,130 | 27,389 | 20,442 | 597,533 |

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of the Nova KBM Group for the three months ended 31 March 2014

€000

| ITEM DESCRIPTION | Share capital | Share premium | Accumulated other comprehensive income | Translation reserves | Reserves from profit | Retained earnings (including net profit for the reporting period) | Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total equity |
|---------------------------------------------------------------|----------------|----------------|----------------------------------------|----------------------|----------------------|-------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 8,981 | (2,486) | 663 | 48,937 | 566,667 | (6,639) | 560,028 |
| Total comprehensive income for the reporting period after tax | 0 | 0 | 23,181 | (77) | 0 | 13,803 | 36,907 | 2,633 | 39,540 |
| Other | 0 | 0 | 0 | 0 | (164) | 164 | 0 | 0 | 0 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 32,162 | (2,563) | 499 | 62,904 | 603,574 | (4,006) | 599,568 |

The accompanying notes form an integral part of these financial statements.

Interim statement of changes in equity of Nova KBM d.d. for the three months ended 31 March 2014

€000

| ITEM DESCRIPTION | Share capital | Share premium | Other equity instruments issued | Accumulated other comprehensive income | Reserves from profit | Retained earnings (including net profit for the reporting period) | Treasury shares (capital deduction item) | Total equity |
|---------------------------------------------------------------|----------------|----------------|---------------------------------|----------------------------------------|----------------------|-------------------------------------------------------------------|------------------------------------------|----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 0 | 7,140 | 0 | 0 | 0 | 517,712 |
| Total comprehensive income for the reporting period after tax | 0 | 0 | 16,645 | 0 | 8,922 | 0 | 0 | 25,567 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 150,000 | 360,572 | 0 | 23,785 | 0 | 8,922 | 0 | 543,279 |

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOVA KBM GROUP AND NOVA KBM

1 General information

Nova KBM d.d. (herein also referred to as 'Nova KBM' or the 'Bank') is the parent company of the Nova KBM Group (herein also referred to as the 'Group') which, as of 31 March 2015, comprised the parent company and 10 subsidiary companies.

Nova KBM is a commercial bank with a tradition of understanding and supporting its retail and corporate customers to whom it provides standard banking products. Its registered office is at Ulica Vita Kraigherja 4, 2505 Maribor, Republic of Slovenia.

As of 31 March 2015, the share capital of Nova KBM totalled €150,000,000 and was split into 10,000,000 ordinary no-par-value shares, all of which were held by the Republic of Slovenia.

Nova KBM is obliged to prepare consolidated financial statements.

2 Definition of the Group

The Group comprises the parent bank and its subsidiary companies.

| Company | Position in the Group | Group's voting rights in the company (%) | Registered office (country of incorporation) |
|----------------------------------------|-----------------------|------------------------------------------|----------------------------------------------|
| Nova Kreditna banka Maribor d.d. | parent bank | | Maribor, Slovenia |
| Poštna banka Slovenije d.d. | subsidiary bank | 99.12 | Maribor, Slovenia |
| Adria Bank AG | subsidiary bank | 100.00 | Vienna, Austria |
| KBM Banka a.d. | subsidiary bank | 89.53 | Kragujevac, Serbia |
| KBM Infond d.o.o. | subsidiary company | 72.73 ¹ | Maribor, Slovenia |
| KBM Leasing d.o.o. (in liquidation) | subsidiary company | 100.00 | Maribor, Slovenia |
| KBM Invest d.o.o. | subsidiary company | 100.00 | Maribor, Slovenia |
| Gorica Leasing d.o.o. (in liquidation) | subsidiary company | 100.00 | Maribor, Slovenia |
| M-PAY d.o.o. | subsidiary company | 50.00 | Maribor, Slovenia |
| KBM Leasing Hrvatska d.o.o. | subsidiary company | 100.00 | Zagreb, Croatia |
| MB Finance B.V. | subsidiary company | 00.00 ² | Netherlands |

¹ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

² In accordance with IFRS 10, MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity, and the operations of this entity are considered to be immaterial to the Group.

Nova KBM holds a 45% equity stake in its associated company Moja naložba.

On 29 August 2014, the Adria Bank Supervisory Board reached a decision to start the procedures to terminate the operations of Adria Bank. Adria Bank returned its licence for providing banking services to the Austrian Financial Market Authority (FMA) on 23 March 2015, the same day on which it ceased its banking operations and met the conditions to wind down its business. By the end of May 2015, Adria Bank will change its legal form from a joint stock company (AG) to a limited liability company (GmbH), after which it will file for liquidation. The financial statements of Adria Bank have been prepared on a non-going concern basis. A non-going concern assumption has been taken into consideration in the valuation of the investment in, and credit exposure to, Adria Bank.

In accordance with the adopted restructuring programme and commitments given to the European Commission by the Republic of Slovenia and Nova KBM regarding the restructuring of the Nova KBM Group, the controlled liquidation of KBM Leasing and Gorica Leasing started on 31 December 2014, based on a ruling made by the relevant court. These two companies are still controlled by Nova KBM and are therefore fully consolidated in the Group's accounts. However, based on the management's assumption, the companies are

regarded as non-going concerns, given that their liquidation is under way and is expected to be completed by 31 July 2015. Following the completion of liquidation proceedings, the remaining assets of the two companies will be transferred to Nova KBM.

In December 2014, the Nova KBM Management Board passed a decision to sell KBM Banka, based on which the investment of Nova KBM in KBM Banka was book-transferred to 'Non-current assets held for sale'. KBM Banka is fully consolidated in the consolidated financial statements, with its assets, liabilities and profit and loss components being presented as separate items. KBM Banka is in the process of being sold. While work is in progress with respect to a due diligence review of KBM Banka, a request has been made to the relevant Serbian regulator to give a preliminary opinion regarding the sale of KBM Banka to a new owner.

Istra Plan, a company 100% owned by KBM Invest, is not regarded as a business entity, as a result of which only assets of this company, totalling €711,000, have been included in the consolidated financial statements.

3 Basis for the presentation of consolidated financial statements

The financial statements of the Nova KBM Group and Nova KBM for the three months ended 31 March 2015 were authorised for issue on 5 May 2015 by the Nova KBM Management Board.

The interim financial statements have been prepared in accordance with the regulatory requirements and on the assumption that both Nova KBM and the Nova KBM Group will continue as going concerns in the foreseeable future and that they will be able to meet their liabilities when due.

3.1 Statement of compliance and purpose of financial statements

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereafter 'IFRSs') as endorsed by the European Union.

The interim financial report is prepared in a condensed form and includes selected explanatory notes as requested in accordance with IAS 34 – Interim Financial Reporting.

Interim financial statements are unaudited and are regarded as general-purpose financial statements. They are not intended for use by any party for purposes of decision-making concerning ownership, financing or any other specific transactions relating to the Group. Accordingly, users of these interim financial statements should not rely exclusively on the financial statements and should undertake other procedures before making decisions.

3.2 Presentation and functional currency

Items included in the financial statements are presented in euro, which is the functional and presentation currency of both the Bank and the Group.

All amounts in the financial statements and in the notes to the financial statements are expressed in thousands of euros, except where stated otherwise. Slight discrepancies in totals may occur due to rounding adjustments.

4 Significant accounting policies

The accounting policies used by the Group are presented in detail in its 2014 Annual Report.

The adopted accounting policies have been consistently applied in both reporting periods presented in these financial statements.

During the interim reporting period and in 2014, the Group did not reclassify any of its financial assets into another category.

Newly adopted standards, revisions and interpretations that have been adopted by the EU and that have or will come into effect in 2015 are presented below:

- **Amendments to various standards – Improvements to IFRSs (cycle 2010 – 2012)** resulting from the annual improvement project of IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording; adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015).
- **Amendments to various standards – Improvements to IFRSs (cycle 2011 – 2013)** resulting from the annual improvement project of IFRSs (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording; adopted by the EU on 18 December 2014 (effective for annual periods beginning on or after 1 January 2015).
- **Amendments to IAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contributions;** adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015).
- **IFRIC 21 – Levies;** adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

The amendments to the existing standards have not led to any material changes in the Group's accounting policies.

Standards and interpretations issued by the International Accounting Standards Board (IASB) but, as of the date of this interim report, not yet adopted for use by the EU are set out below:

- **IFRS 9 – Financial Instruments** (effective for annual periods beginning on or after 1 January 2018).
- **IFRS 14 – Regulatory Deferral Accounts** (effective for annual periods beginning on or after 1 January 2016).
- **IFRS 15 – Revenue from Contracts with Customers** (effective for annual periods beginning on or after 1 January 2017).
- **Amendments to IFRS 10 – Consolidated Financial Statements, and IAS 28 – Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** (the date of initial application has been postponed; the draft for discussion is expected to be released by the IASB on 1 January 2016).
- **Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities, and IAS 28 – Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception** (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IFRS 11 – Joint Arrangements – Accounting for Acquisition of Interests in Joint Operations** (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 1 – Presentation of Financial Statements – Disclosure Initiative** (effective for annual periods beginning on or after 1 January 2016).

- **Amendments to IAS 16 – Property, Plant and Equipment, and IAS 38 – Intangible Assets** – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 16 – Property, Plant and Equipment, and IAS 41 – Agriculture** – Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to IAS 27 – Separate Financial Statements** – Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).
- **Amendments to various standards – Improvements to IFRSs (cycle 2012 – 2014)** resulting from the annual improvement project of IFRSs (IFRS 5, IFRS 7, IFRS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2016).

The Group has not early adopted any standard or interpretation that has been issued but is not yet effective. It anticipates that the adoption of these standards, revisions and interpretations will have no material impact on its financial statements in the period of initial application, with the exception of IFRS 9, the impact of which on the financial statements of the Bank and the Group has not been assessed yet.

5 Risk review

The Bank Management Board delegates risk oversight and management to the senior management (policy holders). The policy holders, together with officers responsible for particular policies, determine the method of measuring individual risks. The responsible officers are specialised in defining, measuring and controlling individual risks.

The organisational unit responsible for defining the acceptable level of a specific type of risk and the method of measuring and monitoring the risk is organisationally separate from the unit it monitors. In accordance with the rules of procedure, each risk management policy has to be approved by the Policy Approval Committee and, in addition, agreed by the President of the Management Board or his deputy. The Group companies may use their own approach in managing individual risks, taking into consideration the importance of risk and the regulatory framework.

Further details with respect to risk management are provided in the Group's 2014 Annual Report.

5.1 Credit risk

Analysis of exposure to credit risk

| Nova KBM Group | Loans to customers | | Loans to banks | |
|-------------------------------|--------------------|------------------|----------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Net outstanding loans | 1,891,400 | 1,920,875 | 74,532 | 50,124 |
| Individual impairment | | | | |
| Gross amount | 956,746 | 966,592 | 375 | 730 |
| Impairment | (538,213) | (531,869) | (2) | (3) |
| Net amount | 418,533 | 434,723 | 373 | 727 |
| Collective impairment | | | | |
| Credit rating A | 966,463 | 941,848 | 0 | 0 |
| Credit rating B | 284,561 | 298,683 | 0 | 0 |
| Credit rating C | 172,910 | 174,665 | 0 | 0 |
| Credit rating D | 26,829 | 29,477 | 0 | 0 |
| Credit rating E | 69,365 | 71,194 | 0 | 0 |
| Gross amount | 1,520,128 | 1,515,867 | 0 | 0 |
| Impairment | (82,238) | (86,958) | 0 | 0 |
| Net amount | 1,437,890 | 1,428,909 | 0 | 0 |
| Net non-impaired loans | 34,977 | 57,243 | 74,159 | 49,397 |
| Total net loans | 1,891,400 | 1,920,875 | 74,532 | 50,124 |

| Nova KBM d.d. | Loans to customers | | Loans to banks | |
|-------------------------------|--------------------|------------------|----------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Net outstanding loans | 1,576,588 | 1,593,294 | 84,281 | 59,299 |
| Individual impairment | | | | |
| Gross amount | 675,849 | 672,926 | 5,064 | 5,015 |
| Impairment | (348,869) | (344,441) | (5,064) | (5,013) |
| Net amount | 326,980 | 328,485 | 0 | 2 |
| Collective impairment | | | | |
| Credit rating A | 857,573 | 804,293 | 0 | 0 |
| Credit rating B | 197,133 | 232,345 | 0 | 0 |
| Credit rating C | 143,527 | 154,612 | 0 | 0 |
| Credit rating D | 23,244 | 26,815 | 0 | 0 |
| Credit rating E | 60,984 | 58,294 | 0 | 0 |
| Gross amount | 1,282,461 | 1,276,359 | 0 | 0 |
| Impairment | (66,730) | (67,558) | 0 | 0 |
| Net amount | 1,215,731 | 1,208,801 | 0 | 0 |
| Net non-impaired loans | 33,877 | 56,008 | 84,281 | 59,297 |
| Total net loans | 1,576,588 | 1,593,294 | 84,281 | 59,299 |

Past-due and unpaid claims

| Nova KBM Group | | | | | 31.3.2015 |
|----------------|---------------|---------------|---------------|----------------|----------------|
| | Up to 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | Total |
| Banks | 0 | 0 | 0 | 2 | 2 |
| State | 101 | 5 | 5 | 3 | 114 |
| Legal entities | 14,942 | 2,262 | 16,764 | 539,827 | 573,795 |
| Households | 1,728 | 1,547 | 358 | 63,680 | 67,313 |
| Total | 16,771 | 3,814 | 17,127 | 603,512 | 641,224 |

| Nova KBM Group | | | | | 31.12.2014 |
|----------------|---------------|---------------|---------------|----------------|----------------|
| | Up to 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | Total |
| Banks | 13 | 0 | 0 | 2 | 15 |
| State | 112 | 5 | 5 | 3 | 125 |
| Legal entities | 44,698 | 34,190 | 24,941 | 486,058 | 589,887 |
| Households | 1,985 | 525 | 3,044 | 60,256 | 65,810 |
| Total | 46,808 | 34,720 | 27,990 | 546,319 | 655,837 |

| Nova KBM d.d. | | | | | 31.3.2015 |
|----------------|---------------|---------------|---------------|----------------|----------------|
| | Up to 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | Total |
| Banks | 0 | 0 | 0 | 2 | 2 |
| State | 96 | 0 | 0 | 0 | 96 |
| Legal entities | 10,576 | 642 | 5,831 | 325,334 | 342,383 |
| Households | 1,233 | 626 | 260 | 42,924 | 45,043 |
| Total | 11,905 | 1,268 | 6,091 | 368,260 | 387,524 |

| Nova KBM d.d. | 31.12.2014 | | | | |
|----------------|---------------|---------------|---------------|----------------|----------------|
| | Up to 30 days | 31 to 60 days | 61 to 90 days | Over 90 days | Total |
| Banks | 14 | 0 | 0 | 2 | 16 |
| State | 107 | 0 | 1 | 0 | 108 |
| Legal entities | 28,321 | 32,892 | 19,981 | 271,318 | 352,512 |
| Households | 1,465 | 339 | 2,930 | 38,068 | 42,802 |
| Total | 29,907 | 33,231 | 22,912 | 309,388 | 395,438 |

NPLs in the total loan portfolio

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------|----------------|------------|---------------|------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Total gross loan portfolio | 2,586,385 | 2,589,829 | 2,081,532 | 2,069,605 |
| Total net loan portfolio | 1,965,932 | 1,970,999 | 1,660,869 | 1,652,593 |
| Net NPLs | 461,908 | 462,519 | 371,686 | 370,457 |
| Net NPLs/total net loan portfolio (%) | 23.50 | 23.47 | 22.38 | 22.42 |

Analysis of NPLs by industry sectors

The following tables set forth, for the periods indicated, the total net loans and net NPLs outstanding to individual industry sectors, and the proportion of net NPLs in net loans:

| Nova KBM Group | Total net loans | Net NPLs | 31.3.2015 | | 31.12.2014 | |
|-----------------------------------------------------------------------------------|------------------|----------------|-------------------|------------------|----------------|-------------------|
| | | | Share of NPLs (%) | Total net loans | Net NPLs | Share of NPLs (%) |
| Industry sector | | | | | | |
| Households | 855,480 | 38,035 | 4.45 | 857,683 | 33,849 | 3.95 |
| Agriculture and hunting, forestry, fishing | 25,594 | 8,768 | 34.26 | 23,240 | 8,532 | 36.71 |
| Mining | 3,363 | 229 | 6.81 | 2,786 | 676 | 24.26 |
| Manufacturing industry | 323,594 | 135,134 | 41.76 | 342,155 | 142,670 | 41.70 |
| Electricity, gas and steam supply | 51,756 | 3,919 | 7.57 | 46,771 | 3,946 | 8.44 |
| Water supply, waste and sewage management, rehabilitation of the environment | 24,444 | 2,752 | 11.26 | 24,052 | 979 | 4.07 |
| Construction | 72,714 | 41,584 | 57.19 | 71,471 | 31,088 | 43.50 |
| Trade, maintenance and repair of motor vehicles | 209,483 | 76,300 | 36.42 | 188,896 | 76,590 | 40.55 |
| Transportation and storage | 51,194 | 5,821 | 11.37 | 52,511 | 6,025 | 11.47 |
| Accommodation and food service activities | 39,425 | 20,050 | 50.86 | 39,621 | 19,292 | 48.69 |
| Information and communication activities | 22,028 | 13,746 | 62.40 | 22,526 | 13,507 | 59.96 |
| Financial intermediation | 107,305 | 11,594 | 10.80 | 92,590 | 20,442 | 22.08 |
| Real estate activities | 38,290 | 28,689 | 74.93 | 39,025 | 29,712 | 76.14 |
| Professional, scientific and technical activities | 46,937 | 25,477 | 54.28 | 47,680 | 25,601 | 53.69 |
| Other various business activities | 12,446 | 3,673 | 29.51 | 15,764 | 2,758 | 17.50 |
| Public administration and defence services, compulsory social security activities | 12,511 | 498 | 3.98 | 32,415 | 185 | 0.57 |
| Education | 2,891 | 284 | 9.82 | 3,181 | 392 | 12.32 |
| Health and welfare security | 22,448 | 8,590 | 38.27 | 23,128 | 8,704 | 37.63 |
| Arts, entertainment and recreation | 38,389 | 35,836 | 93.35 | 38,824 | 35,957 | 92.62 |
| Other activities | 5,640 | 929 | 16.47 | 6,680 | 1,614 | 24.16 |
| Total net loans | 1,965,932 | 461,908 | 23.50 | 1,970,999 | 462,519 | 23.47 |

| Nova KBM d.d. Industry sector | | | 31.3.2015 | | | 31.12.2014 |
|-----------------------------------------------------------------------------------|------------------|----------------|-------------------|------------------|----------------|-------------------|
| | Total net loans | Net NPLs | Share of NPLs (%) | Total net loans | Net NPLs | Share of NPLs (%) |
| Households | 760,155 | 35,751 | 4.70 | 762,689 | 31,509 | 4.13 |
| Agriculture and hunting, forestry, fishing | 19,331 | 4,731 | 24.47 | 17,216 | 4,626 | 26.87 |
| Mining | 1,918 | 229 | 11.94 | 1,989 | 229 | 11.51 |
| Manufacturing industry | 256,586 | 105,420 | 41.09 | 272,295 | 111,133 | 40.81 |
| Electricity, gas and steam supply | 48,781 | 2,015 | 4.13 | 43,954 | 3,838 | 8.73 |
| Water supply, waste and sewage management, rehabilitation of the environment | 15,212 | 2,029 | 13.34 | 14,602 | 241 | 1.65 |
| Construction | 47,572 | 25,232 | 53.04 | 42,208 | 14,273 | 33.82 |
| Trade, maintenance and repair of motor vehicles | 153,440 | 57,464 | 37.45 | 130,157 | 57,208 | 43.95 |
| Transportation and storage | 47,631 | 5,099 | 10.71 | 48,826 | 5,151 | 10.55 |
| Accommodation and food service activities | 29,195 | 14,268 | 48.87 | 29,728 | 13,940 | 46.89 |
| Information and communication activities | 14,000 | 8,150 | 58.21 | 14,362 | 8,022 | 55.86 |
| Financial intermediation | 127,349 | 22,872 | 17.96 | 111,939 | 32,035 | 28.62 |
| Real estate activities | 31,609 | 22,898 | 72.44 | 32,292 | 23,907 | 74.03 |
| Professional, scientific and technical activities | 31,606 | 18,738 | 59.29 | 31,597 | 18,478 | 58.48 |
| Other various business activities | 7,701 | 2,255 | 29.28 | 8,021 | 1,196 | 14.91 |
| Public administration and defence services, compulsory social security activities | 5,451 | 49 | 0.90 | 26,229 | 0 | 0.00 |
| Education | 2,743 | 261 | 9.52 | 3,020 | 369 | 12.22 |
| Health and welfare security | 19,930 | 8,564 | 42.97 | 20,497 | 8,673 | 42.31 |
| Arts, entertainment and recreation | 37,310 | 35,170 | 94.26 | 37,555 | 35,184 | 93.69 |
| Other activities | 3,349 | 491 | 14.66 | 3,417 | 445 | 13.02 |
| Total net loans | 1,660,869 | 371,686 | 22.38 | 1,652,593 | 370,457 | 22.42 |

5.2 Capital risk

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Tier 1 capital | 552,779 | 549,824 | 531,590 | 521,962 |
| Paid-in capital instruments | 150,000 | 150,000 | 150,000 | 150,000 |
| Share premium | 360,572 | 360,572 | 360,572 | 360,572 |
| Retained earnings and value adjustments of investment property from previous years | 44,254 | 50,122 | 36,950 | 1,030 |
| (-) Loss for the current financial year | 0 | (5,743) | 0 | 0 |
| Accumulated other comprehensive income | (3,118) | (5,187) | 2,586 | (343) |
| Other reserves | 27,895 | 27,895 | 0 | 27,389 |
| (-) Intangible assets | (23,976) | (25,483) | (13,073) | (14,335) |
| (-) Deferred tax assets | (2,848) | (2,352) | (5,445) | (2,351) |
| Additional Tier 1 capital | 0 | 0 | 0 | 0 |
| Tier 2 capital | 0 | 0 | 0 | 0 |
| Total capital | 552,779 | 549,824 | 531,590 | 521,962 |
| Risk weighted exposure amounts for credit risk | 2,013,961 | 2,029,975 | 1,775,647 | 1,773,173 |
| Central governments or central banks | 8,168 | 11,822 | 8,168 | 10,736 |
| Regional governments or local authorities | 1,760 | 1,497 | 603 | 561 |
| Public sector entities | 1,886 | 1,305 | 786 | 147 |
| Multilateral development banks | 0 | 0 | 0 | 0 |
| International organisations | 0 | 0 | 0 | 0 |
| Institutions | 94,555 | 101,892 | 80,848 | 82,173 |
| Corporates | 427,666 | 424,425 | 343,501 | 336,354 |
| Retail | 679,391 | 676,203 | 556,799 | 559,299 |
| Exposures secured by mortgages on immovable property | 59,663 | 54,636 | 59,663 | 54,636 |
| Exposures in default | 519,174 | 532,059 | 395,300 | 397,374 |
| Items associated with particular high risk | 55,205 | 59,067 | 205,855 | 207,044 |
| Collective investment undertakings | 8,773 | 6,155 | 5,210 | 2,814 |
| Equity | 18,592 | 16,854 | 14,424 | 14,538 |
| Other items | 139,128 | 144,060 | 104,490 | 107,497 |
| Risk weighted exposure amounts for market risks | 39,589 | 40,719 | 36,069 | 37,332 |
| Traded debt instruments | 1,949 | 1,542 | 1,910 | 1,476 |
| Equity instruments | 37,498 | 39,034 | 34,017 | 35,713 |
| Credit value adjustment risk | 142 | 143 | 142 | 143 |
| Risk weighted exposure amounts for operational risk | 266,496 | 289,222 | 203,088 | 216,403 |
| Total risk weighted exposure amount | 2,320,046 | 2,359,916 | 2,014,804 | 2,026,908 |
| Total capital adequacy ratio | 23.83% | 23.30% | 26.38% | 25.75% |
| Tier 1 capital ratio | 23.83% | 23.30% | 26.38% | 25.75% |
| Common Equity Tier 1 capital ratio | 23.83% | 23.30% | 26.38% | 25.75% |

6 Fair value of financial assets and financial liabilities

Where possible, the Group determines the fair value of financial instruments on the basis of their market prices. The Group starts to measure the value of financial assets according to a valuation model once it establishes that the market is not active.

Further details with respect to the policy of determining the fair value of financial assets and financial liabilities are presented in the Group's 2014 Annual Report.

Analysis of fair value hierarchy

| Nova KBM Group | 31.3.2015 | | | | 31.12.2014 | | | |
|------------------------------------------------------------------|-----------|-----------|---------|---------|------------|-----------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | | |
| Derivatives | 684 | 0 | 684 | 0 | 187 | 0 | 187 | 0 |
| Financial assets held for trading | 1,739 | 1,739 | 0 | 0 | 1,654 | 1,654 | 0 | 0 |
| – equity financial instruments | 1,739 | 1,739 | 0 | 0 | 1,654 | 1,654 | 0 | 0 |
| Available-for-sale financial assets | 1,608,557 | 1,167,781 | 437,672 | 3,104 | 1,482,120 | 1,038,084 | 440,932 | 3,104 |
| – debt financial instruments | 1,574,488 | 1,136,816 | 437,672 | 0 | 1,463,106 | 1,022,174 | 440,932 | 0 |
| – equity financial instruments | 34,069 | 30,965 | 0 | 3,104 | 19,014 | 15,910 | 0 | 3,104 |
| Financial assets designated at fair value through profit or loss | 17,953 | 17,953 | 0 | 0 | 17,857 | 17,857 | 0 | 0 |
| – equity financial instruments | 17,953 | 17,953 | 0 | 0 | 17,857 | 17,857 | 0 | 0 |
| Financial liabilities | | | | | | | | |
| Derivatives | 3,397 | 0 | 3,397 | 0 | 1,229 | 0 | 1,229 | 0 |

| Nova KBM d.d. | 31.3.2015 | | | | 31.12.2014 | | | |
|------------------------------------------------------------------|-----------|---------|---------|---------|------------|---------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | | |
| Derivatives | 684 | 0 | 684 | 0 | 187 | 0 | 187 | 0 |
| Available-for-sale financial assets | 1,395,652 | 967,451 | 425,312 | 2,889 | 1,275,213 | 844,020 | 428,304 | 2,889 |
| – debt financial instruments | 1,368,190 | 942,878 | 425,312 | 0 | 1,261,435 | 833,131 | 428,304 | 0 |
| – equity financial instruments | 27,462 | 24,573 | 0 | 2,889 | 13,778 | 10,889 | 0 | 2,889 |
| Financial assets designated at fair value through profit or loss | 17,953 | 17,953 | 0 | 0 | 17,857 | 17,857 | 0 | 0 |
| – equity financial instruments | 17,953 | 17,953 | 0 | 0 | 17,857 | 17,857 | 0 | 0 |
| Financial liabilities | | | | | | | | |
| Derivatives | 3,397 | 0 | 3,397 | 0 | 1,170 | 0 | 1,170 | 0 |

The following table presents for each type of financial instruments the triggers that lead to the transfer of a financial instrument between the fair value hierarchy levels.

| Transfer | Financial instruments | Reason for transfer between levels |
|-------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| From Level 2 to Level 1 | bonds | Re-availability of the market price of the financial instrument. The price of a bond is considered to be available if the published market price is the result of the actual turnover in the period of less than one month. |
| From Level 3 to Level 1 | shares and funds | Re-availability of the market price of the financial instrument. The price of a share or an investment fund is considered to be available if the published market price is the result of the actual turnover in the period of less than one month. |
| From Level 1 to Level 2 | bonds | Valuation of bonds that have been previously valued according to the market price. The reason for the valuation of a bond and for changing its level is either the withdrawal of a bond from the regulated market or its illiquidity (no transaction has been concluded in a one-month period). |
| From Level 1 to Level 3 | shares and funds | Valuation of shares and investment funds that have been previously valued according to the market price. The reason for the valuation of a share or an investment fund and for changing its level is the withdrawal of a share or an investment fund from the regulated market. |
| From Level 2 to Level 3 | derivatives | The underlying instrument to which the derivative refers has been reclassified from Level 1 to either Level 2 or Level 3. The market price of the underlying instrument is no longer available. |
| From Level 3 to Level 2 | derivatives | The underlying instrument to which the derivative refers has been reclassified to Level 1. The market price of the underlying instrument exists. |

Analysis of transfers between fair value hierarchy levels

| Nova KBM Group | 31.3.2015 | | | | | | 31.12.2014 |
|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------------|
| | Transfer from Level 1 to Level 2 | Transfer from Level 2 to Level 1 | Transfer from Level 1 to Level 3 | Transfer from Level 1 to Level 2 | Transfer from Level 2 to Level 1 | Transfer from Level 1 to Level 3 | |
| Available-for-sale financial assets | 0 | 8,679 | 0 | 404,152 | 0 | 0 | |
| – debt financial instruments | 0 | 8,679 | 0 | 404,152 | 0 | 0 | |

| Nova KBM d.d. | 31.3.2015 | | | | | | 31.12.2014 |
|-------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|------------|
| | Transfer from Level 1 to Level 2 | Transfer from Level 2 to Level 1 | Transfer from Level 1 to Level 3 | Transfer from Level 1 to Level 2 | Transfer from Level 2 to Level 1 | Transfer from Level 1 to Level 3 | |
| Available-for-sale financial assets | 0 | 8,679 | 0 | 391,927 | 0 | 0 | |
| – debt financial instruments | 0 | 8,679 | 0 | 391,927 | 0 | 0 | |

Movements in financial assets included in Level 3

| Available-for-sale financial assets | Nova KBM Group | | | Nova KBM d.d. | | |
|------------------------------------------|----------------|--------------|------------|---------------|--------------|------------|
| | Total | Shares | Stocks | Total | Shares | Stocks |
| 1 January 2014 | 3,167 | 2,553 | 614 | 3,026 | 2,540 | 486 |
| Change due to sale | (972) | (972) | 0 | (972) | (972) | 0 |
| Change due to debt-to-equity conversions | 2,036 | 2,036 | 80 | 2,036 | 2,036 | 0 |
| Shares returned from BAMC | 834 | 834 | 0 | 834 | 834 | 0 |
| Change due to revaluation | (1,961) | (2,041) | 0 | (2,035) | (2,036) | 1 |
| 31 December 2014 | 3,104 | 2,410 | 694 | 2,889 | 2,402 | 487 |
| 1 January 2015 | 3,104 | 2,410 | 694 | 2,889 | 2,402 | 487 |
| 31 March 2015 | 3,104 | 2,410 | 694 | 2,889 | 2,402 | 487 |

In the three-month period ended 31 March 2015, no changes took place in the Group's financial assets included in Level 3 of the fair value hierarchy.

Fair value of financial instruments measured at amortised cost

| Nova KBM Group | 31.3.2015 | | | | |
|-------------------------------------------------------------------------|------------|------------|---------|-----------|-----------|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | |
| Cash, cash balances at central banks and other demand deposits at banks | 283,778 | 283,778 | 283,778 | 0 | 0 |
| Loans and advances to banks | 74,532 | 80,796 | 0 | 80,796 | 0 |
| Loans and advances to customers | 1,891,400 | 1,898,281 | 0 | 0 | 1,898,281 |
| Other financial assets | 22,495 | 22,495 | 0 | 0 | 22,495 |
| Held-to-maturity financial assets | 182,610 | 191,763 | 187,148 | 4,615 | 0 |
| Financial liabilities | | | | | |
| Deposits from banks and central banks | 1,746 | 1,809 | 0 | 1,809 | 0 |
| Deposits from customers | 3,038,276 | 3,043,864 | 0 | 3,043,864 | 0 |
| Loans from banks and central banks | 391,815 | 392,257 | 0 | 392,257 | 0 |
| Loans from customers | 2,733 | 2,734 | 0 | 2,734 | 0 |
| Debt securities | 52,284 | 56,218 | 0 | 56,218 | 0 |
| Subordinated liabilities | 1,250 | 1,250 | 0 | 1,250 | 0 |
| Other financial liabilities | 32,115 | 32,115 | 0 | 0 | 32,115 |

| Nova KBM Group | | | | | 31.12.2014 |
|-------------------------------------------------------------------------|------------|------------|---------|-----------|------------|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | |
| Cash, cash balances at central banks and other demand deposits at banks | 422,264 | 422,264 | 422,264 | 0 | 0 |
| Loans and advances to banks | 50,124 | 56,173 | 0 | 56,173 | 0 |
| Loans and advances to customers | 1,920,875 | 1,928,869 | 0 | 0 | 1,928,869 |
| Other financial assets | 20,343 | 20,343 | 0 | 0 | 20,343 |
| Held-to-maturity financial assets | 206,540 | 213,247 | 208,635 | 4,612 | 0 |
| Financial liabilities | | | | | |
| Deposits from banks and central banks | 20,875 | 20,768 | 0 | 20,768 | 0 |
| Deposits from customers | 3,074,146 | 3,080,697 | 0 | 3,080,697 | 0 |
| Loans from banks and central banks | 394,213 | 395,259 | 0 | 395,259 | 0 |
| Loans from customers | 2,729 | 2,732 | 0 | 2,732 | 0 |
| Debt securities | 59,129 | 63,012 | 0 | 63,012 | 0 |
| Subordinated liabilities | 1,250 | 1,250 | 0 | 1,250 | 0 |
| Other financial liabilities | 33,551 | 33,551 | 0 | 0 | 33,551 |

| Nova KBM d.d. | | | | | 31.3.2015 |
|-------------------------------------------------------------------------|------------|------------|---------|-----------|-----------|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | |
| Cash, cash balances at central banks and other demand deposits at banks | 209,678 | 209,678 | 209,678 | 0 | 0 |
| Loans and advances to banks | 84,281 | 90,545 | 0 | 90,545 | 0 |
| Loans and advances to customers | 1,576,588 | 1,583,179 | 0 | 0 | 1,583,179 |
| Other financial assets | 13,685 | 13,685 | 0 | 0 | 13,685 |
| Held-to-maturity financial assets | 65,115 | 71,832 | 67,217 | 4,615 | 0 |
| Financial liabilities | | | | | |
| Deposits from banks and central banks | 12,506 | 12,569 | 0 | 12,569 | 0 |
| Deposits from customers | 2,437,588 | 2,443,015 | 0 | 2,443,015 | 0 |
| Loans from banks and central banks | 362,789 | 363,231 | 0 | 363,231 | 0 |
| Loans from customers | 2,733 | 2,734 | 0 | 2,734 | 0 |
| Debt securities | 54,255 | 58,189 | 0 | 58,189 | 0 |
| Other financial liabilities | 22,557 | 22,557 | 0 | 0 | 22,557 |

| Nova KBM d.d. | 31.12.2014 | | | | |
|-------------------------------------------------------------------------|------------|------------|---------|-----------|-----------|
| | Book value | Fair value | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | |
| Cash, cash balances at central banks and other demand deposits at banks | 335,417 | 335,417 | 335,417 | 0 | 0 |
| Loans and advances to banks | 59,299 | 65,348 | 0 | 65,348 | 0 |
| Loans and advances to customers | 1,593,294 | 1,601,398 | 0 | 0 | 1,601,398 |
| Other financial assets | 11,754 | 11,754 | 0 | 0 | 11,754 |
| Held-to-maturity financial assets | 89,950 | 95,101 | 90,489 | 4,612 | 0 |
| Financial liabilities | | | | | |
| Deposits from banks and central banks | 11,780 | 11,673 | 0 | 11,673 | 0 |
| Deposits from customers | 2,463,368 | 2,469,612 | 0 | 2,469,612 | 0 |
| Loans from banks and central banks | 363,552 | 364,598 | 0 | 364,598 | 0 |
| Loans from customers | 2,729 | 2,732 | 0 | 2,732 | 0 |
| Debt securities | 67,452 | 71,335 | 0 | 71,335 | 0 |
| Other financial liabilities | 26,396 | 26,396 | 0 | 0 | 26,396 |

The Group determines fair values according to the following hierarchy: market value; valuation made using a market interest rate model; acquisition cost. The tables above present fair values of individual balance sheet items. The fair value of held-to-maturity financial assets has been, where possible, determined on the basis of market prices of financial instruments. The fair value of items measured at amortised or acquisition cost is determined on the basis of a model that takes into account market interest rates. The fair value is calculated for items with a fixed interest rate and residual maturity of over one year. The fair value of each item is established on the basis of discounted cash flows, taking into consideration the market interest rates prevailing at the reporting date. As for other items, the Bank considers there is no material difference between the book and fair values.

7 Reporting by operating segments

7.1 Analysis by operating segments as of 31 March 2015

| | Banking | Leasing | Fund management | Real estate activity | Other | Total | Inter-segment relationships | Relationships with third parties |
|------------------------------------------------------------------------------------------------------|------------------|---------------|-----------------|----------------------|------------|------------------|-----------------------------|----------------------------------|
| A. Net income/expenses | 39,597 | 697 | 1,425 | 129 | 4 | 41,852 | 289 | 41,563 |
| Interest income | 33,285 | 573 | 2 | 0 | 0 | 33,860 | 792 | 33,068 |
| Interest expenses | (8,100) | (219) | 0 | (89) | 0 | (8,408) | (568) | (7,840) |
| Net interest income | 25,185 | 354 | 2 | (89) | 0 | 25,452 | 224 | 25,228 |
| Fee and commission income | 18,539 | 23 | 1,603 | 0 | 0 | 20,165 | 153 | 20,012 |
| Fee and commission expenses | (6,328) | (7) | (384) | (1) | 0 | (6,720) | (104) | (6,616) |
| Net fee and commission income | 12,211 | 16 | 1,219 | (1) | 0 | 13,445 | 49 | 13,396 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 1,847 | 3 | 100 | 0 | 0 | 1,950 | 1 | 1,949 |
| Net gains/(losses) on financial assets and liabilities held for trading | (7,589) | 0 | 106 | 0 | 0 | (7,483) | 0 | (7,483) |
| Net gains on financial assets and liabilities designated at fair value through profit or loss | 96 | 0 | 0 | 0 | 0 | 96 | 0 | 96 |
| Net exchange rate differences | 8,796 | 0 | 0 | 0 | 0 | 8,796 | 1 | 8,795 |
| Net gains/(losses) on derecognition of assets other than non-current assets held for sale | (12) | 31 | 0 | 4 | 0 | 23 | 1 | 22 |
| Other net operating income/(loss) | (937) | 293 | (2) | 215 | 4 | (427) | 13 | (440) |
| B. Other items by segments | (27,100) | (587) | (826) | (108) | (1) | (28,622) | (368) | (28,254) |
| Administration costs | (18,924) | (478) | (568) | (106) | (1) | (20,077) | (64) | (20,013) |
| Depreciation and amortisation | (2,981) | (74) | (258) | (2) | 0 | (3,315) | 0 | (3,315) |
| Provisions | (397) | 221 | 0 | 0 | 0 | (176) | (172) | (4) |
| Impairment losses | (4,859) | (256) | 0 | 0 | 0 | (5,115) | (52) | (5,063) |
| Share of profits of associates and joint ventures accounted for using the equity method | 0 | 0 | 0 | 0 | 0 | 0 | (80) | 80 |
| Total profit from non-current assets and disposal groups classified as held for sale | 61 | 0 | 0 | 0 | 0 | 61 | 0 | 61 |
| C. Profit or loss | - | - | - | - | - | - | - | - |
| PROFIT FROM CONTINUING OPERATIONS | 12,497 | 110 | 599 | 21 | 3 | 13,230 | (79) | 13,309 |
| Tax (expense) related to profit or loss from continuing operations | (942) | 0 | (92) | 0 | 0 | (1,034) | 1 | (1,035) |
| NET PROFIT FROM CONTINUING OPERATIONS | 11,555 | 110 | 507 | 21 | 3 | 12,196 | (78) | 12,274 |
| Total (loss) after tax from discontinued operations | (11) | 0 | 0 | 0 | 0 | (11) | 0 | (11) |
| NET PROFIT FOR THE REPORTING PERIOD | 11,544 | 110 | 507 | 21 | 3 | 12,185 | (78) | 12,263 |
| D. Segment assets and liabilities | - | - | - | - | - | - | - | - |
| Total assets | 4,370,652 | 62,229 | 14,424 | 12,269 | 227 | 4,459,801 | 145,715 | 4,314,086 |
| – non-current assets held for sale and discontinued operations | 55,422 | 586 | 0 | 0 | 0 | 56,008 | 0 | 56,008 |
| – investments in the equity of associates and joint ventures accounted for using the equity method | 96,764 | 0 | 0 | 0 | 0 | 96,764 | 93,488 | 3,276 |
| Liabilities (excluding equity) by segments | 3,711,152 | 25,241 | 1,123 | 7,915 | 1 | 3,745,432 | 67,631 | 3,677,801 |
| Total equity | 659,500 | 36,988 | 13,301 | 4,354 | 226 | 714,369 | 78,084 | 636,285 |
| Increase in property, plant and equipment and intangible assets | 370 | 0 | 191 | 0 | 0 | 561 | 0 | 561 |

The column 'Inter-segment relationships' includes the following items: intra-Group income and expenses; income from dividends from subsidiaries; additional impairments/reversal of impairments as a result of changing over to a harmonised customer classification methodology across the Group; impairment of investments in the equity of subsidiaries and of loans given to subsidiaries; the effects of valuation of the associated company using the equity method; claims and liabilities between Group companies; investments in subsidiaries and the proportional share of equity of subsidiaries; and other consolidation entries.

Analysis by operating segments as of 31 March 2014

| | Banking | Leasing | Fund management | Real estate activity | Other | Total | Inter-segment relationships | Relationships with third parties |
|------------------------------------------------------------------------------------------------------|------------------|-----------------|-----------------|----------------------|------------|------------------|-----------------------------|----------------------------------|
| A. Net income/expenses | 43,971 | 194 | 1,183 | 212 | 8 | 45,568 | 70 | 45,498 |
| Interest income | 43,341 | 1,111 | 0 | 167 | 1 | 44,620 | 2,794 | 41,826 |
| Interest expenses | (15,859) | (1,693) | (5) | (347) | 0 | (17,904) | (2,804) | (15,100) |
| Net interest income | 27,482 | (582) | (5) | (180) | 1 | 26,716 | (10) | 26,726 |
| Fee and commission income | 19,623 | 14 | 1,367 | 0 | 0 | 21,004 | 169 | 20,835 |
| Fee and commission expenses | (6,957) | (86) | (265) | (7) | 0 | (7,315) | (141) | (7,174) |
| Net fee and commission income | 12,666 | (72) | 1,102 | (7) | 0 | 13,689 | 28 | 13,661 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 2,243 | 0 | 68 | 338 | 0 | 2,649 | (1) | 2,650 |
| Net gains/(losses) on financial assets and liabilities held for trading | (881) | 0 | 5 | 0 | 0 | (876) | 0 | (876) |
| Net gains on financial assets and liabilities designated at fair value through profit or loss | 3,696 | 0 | 0 | 0 | 0 | 3,696 | 0 | 3,696 |
| Net exchange rate differences | 405 | (31) | 0 | 0 | 0 | 374 | 1 | 373 |
| Net gains/(losses) on derecognition of assets other than non-current assets held for sale | 14 | (21) | 0 | 1 | 0 | (6) | 4 | (10) |
| Other net operating income/(loss) | (1,654) | 900 | 13 | 60 | 7 | (674) | 48 | (722) |
| B. Other items by segments | (33,579) | 143 | (760) | (353) | (1) | (34,550) | (5,692) | (28,858) |
| Administration costs | (19,381) | (569) | (505) | (352) | (1) | (20,808) | (68) | (20,740) |
| Depreciation and amortisation | (3,387) | (107) | (255) | (2) | 0 | (3,751) | (1) | (3,750) |
| Provisions | (1,198) | 0 | 0 | 0 | 0 | (1,198) | (2,201) | 1,003 |
| Impairment losses | (9,673) | 819 | 0 | 1 | 0 | (8,853) | (3,383) | (5,470) |
| Share of profits of associates and joint ventures accounted for using the equity method | 0 | 0 | 0 | 0 | 0 | 0 | (35) | 35 |
| Total profit from non-current assets and disposal groups classified as held for sale | 60 | 0 | 0 | 0 | 0 | 60 | (4) | 64 |
| C. Profit or loss | | | | | | | | |
| PROFIT/(LOSS) FROM CONTINUING OPERATIONS | 10,392 | 337 | 423 | (141) | 7 | 11,018 | (5,622) | 16,640 |
| Tax (expense) related to profit or loss from continuing operations | (87) | 0 | (74) | (43) | (1) | (205) | 1 | (206) |
| NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS | 10,305 | 337 | 349 | (184) | 6 | 10,813 | (5,621) | 16,434 |
| Total (loss) after tax from discontinued operations | (70) | 0 | 0 | 0 | 0 | (70) | 0 | (70) |
| NET PROFIT/(LOSS) FOR THE REPORTING PERIOD | 10,235 | 337 | 349 | (184) | 6 | 10,743 | (5,621) | 16,364 |
| D. Segment assets and liabilities | | | | | | | | |
| Total assets | 4,918,528 | 128,445 | 13,776 | 48,653 | 209 | 5,109,611 | 298,818 | 4,810,793 |
| – non-current assets held for sale and discontinued operations | 6,560 | 1,309 | 0 | 0 | 0 | 7,869 | 1 | 7,868 |
| – investments in the equity of associates and joint ventures accounted for using the equity method | 54,139 | 0 | 0 | 0 | 0 | 54,139 | 51,182 | 2,957 |
| Liabilities (excluding equity) by segments | 4,340,311 | 191,005 | 1,105 | 58,213 | 0 | 4,590,634 | 339,869 | 4,250,765 |
| Total equity | 578,217 | (62,560) | 12,671 | (9,560) | 209 | 518,977 | (41,051) | 560,028 |
| Increase in property, plant and equipment and intangible assets | 8,047 | 116 | 32 | 20 | 0 | 8,215 | 0 | 8,215 |

The column 'Inter-segment relationships' includes the following items: intra-Group income and expenses; income from dividends from subsidiaries; additional impairments/reversal of impairments as a result of changing over to a harmonised customer classification methodology across the Group; impairment of investments in the equity of subsidiaries and of loans given to subsidiaries; the effects of valuation of the associated company using the equity method; claims and liabilities between Group companies; investments in subsidiaries and the proportional share of equity of subsidiaries; and other consolidation entries.

Notes to the income statement items

8 Interest income and interest expenses

8.1 Analysis of interest by market segments

| | Nova KBM Group | | | | | | Nova KBM d.d. | |
|--------------------------------------------|--------------------|--------------|--------------------|---------------|--------------------|--------------|--------------------|---------------|
| | 1.1.– 31.3.2015 | | 1.1.– 31.3.2014 | | 1.1.– 31.3.2015 | | 1.1.– 31.3.2014 | |
| | Income | Expenses | Income | Expenses | Income | Expenses | Income | Expenses |
| Non-financial companies | 10,536 | 322 | 14,240 | 1,215 | 7,932 | 292 | 10,116 | 1,057 |
| State | 9,972 | 307 | 13,897 | 436 | 8,347 | 174 | 11,507 | 265 |
| Banks | 602 | 1,798 | 727 | 3,054 | 638 | 1,706 | 1,246 | 2,763 |
| Other financial organisations | 410 | 842 | 263 | 916 | 546 | 828 | 1,286 | 851 |
| Households | 10,391 | 4,437 | 11,390 | 9,230 | 8,821 | 3,823 | 9,402 | 7,694 |
| Foreign persons | 1,136 | 108 | 1,269 | 191 | 1,010 | 108 | 1,102 | 191 |
| Non-profit institutions serving households | 21 | 26 | 40 | 58 | 20 | 22 | 31 | 40 |
| Total | 33,068 | 7,840 | 41,826 | 15,100 | 27,314 | 6,953 | 34,690 | 12,861 |
| Net interest income | 25,228 | | 26,726 | | 20,361 | | 21,829 | |

8.2 Analysis of interest by type of assets and liabilities

| | Nova KBM Group | | | | | | Nova KBM d.d. | |
|------------------------------------------------------------------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | 1.1.– 31.3.2015 | | 1.1.– 31.3.2014 | | 1.1.– 31.3.2015 | | 1.1.– 31.3.2014 | |
| | Current | Non-current | Current | Non-current | Current | Non-current | Current | Non-current |
| Interest income | | | | | | | | |
| Balances with the central bank (measured at amortised cost) | 2 | 0 | 143 | 0 | 1 | 0 | 136 | 0 |
| Financial assets held for trading | 50 | 0 | 39 | 0 | 50 | 0 | 39 | 0 |
| Available-for-sale financial assets | 7,922 | 1,689 | 8,596 | 3,909 | 7,914 | 349 | 8,531 | 2,084 |
| Loans and deposits (including finance leases) | 5,686 | 16,592 | 7,129 | 19,621 | 4,268 | 14,143 | 5,511 | 16,874 |
| Held-to-maturity financial assets | 38 | 1,063 | 136 | 2,221 | 0 | 583 | 108 | 1,400 |
| Other financial assets | 26 | 0 | 32 | 0 | 6 | 0 | 7 | 0 |
| Total by maturity | 13,724 | 19,344 | 16,075 | 25,751 | 12,239 | 15,075 | 14,332 | 20,358 |
| Total | 33,068 | | 41,826 | | 27,314 | | 34,690 | |
| Interest expenses | | | | | | | | |
| Financial liabilities to the central bank (measured at amortised cost) | 0 | 37 | 0 | 284 | 0 | 33 | 0 | 262 |
| Financial liabilities held for trading | 0 | 48 | 0 | 38 | 0 | 48 | 0 | 38 |
| Financial liabilities measured at amortised cost | 956 | 6,799 | 3,513 | 11,255 | 734 | 6,138 | 2,640 | 9,921 |
| Other financial liabilities (including finance leases) | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 |
| Total by maturity | 956 | 6,884 | 3,523 | 11,577 | 734 | 6,219 | 2,640 | 10,221 |
| Total | 7,840 | | 15,100 | | 6,953 | | 12,861 | |
| Net interest income | 25,228 | | 26,726 | | 20,361 | | 21,829 | |

9 Fee and commission income and fee and commission expenses

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Fee and commission income | 20,012 | 20,835 | 10,534 | 10,994 |
| Guarantees | 859 | 974 | 737 | 834 |
| Services provided to banks in the Group | 0 | 0 | 89 | 106 |
| Services provided to other Group companies | 0 | 0 | 74 | 83 |
| Domestic payment transactions | 10,328 | 11,147 | 4,279 | 4,450 |
| Transactions under current accounts | 3,298 | 3,271 | 2,341 | 2,375 |
| Payment card operations | 1,960 | 1,900 | 1,522 | 1,500 |
| International payment transactions | 334 | 352 | 311 | 325 |
| Brokerage and agency services | 200 | 491 | 185 | 480 |
| Transactions in securities for customers | 116 | 92 | 116 | 93 |
| Lending operations | 1,259 | 1,144 | 836 | 700 |
| Safekeeping of objects and valuables | 26 | 22 | 26 | 22 |
| Other services | 1,632 | 1,442 | 18 | 26 |
| Fee and commission expenses | 6,616 | 7,174 | 857 | 785 |
| Domestic banking services | 1,543 | 1,556 | 627 | 574 |
| Banking services abroad | 152 | 75 | 147 | 70 |
| Brokerage and agency services | 229 | 212 | 13 | 5 |
| Stock exchange transactions and other transactions in securities | 29 | 103 | 27 | 43 |
| Payment transactions | 4,336 | 4,989 | 38 | 88 |
| Services provided by banks in the Group | 0 | 0 | 4 | 4 |
| Other services | 327 | 239 | 1 | 1 |
| Net fee and commission income | 13,396 | 13,661 | 9,677 | 10,209 |

10 Realised gains on financial assets and liabilities not measured at fair value through profit or loss

| Nova KBM Group | | | 1.1.–31.3.2015 | | 1.1.–31.3.2014 | |
|--------------------------------------------------------------------------|----------------|-----------------|--------------------|----------------|-----------------|--------------------|
| | Realised gains | Realised losses | Net realised gains | Realised gains | Realised losses | Net realised gains |
| Available-for-sale financial assets | 238 | 0 | 238 | 2,121 | 2 | 2,119 |
| Loans and advances (including finance leases and other financial assets) | 1,837 | 127 | 1,710 | 579 | 48 | 531 |
| Financial liabilities measured at amortised cost | 1 | 0 | 1 | 0 | 0 | 0 |
| Total | 2,076 | 127 | 1,949 | 2,700 | 50 | 2,650 |

| Nova KBM d.d. | | | 1.1.–31.3.2015 | | 1.1.–31.3.2014 | |
|--------------------------------------------------------------------------|----------------|-----------------|--------------------|----------------|-----------------|--------------------|
| | Realised gains | Realised losses | Net realised gains | Realised gains | Realised losses | Net realised gains |
| Available-for-sale financial assets | 138 | 0 | 138 | 2,039 | 2 | 2,037 |
| Loans and advances (including finance leases and other financial assets) | 1,703 | 50 | 1,653 | 250 | 17 | 233 |
| Total | 1,841 | 50 | 1,791 | 2,289 | 19 | 2,270 |

11 Net losses on financial assets and liabilities held for trading

| Nova KBM Group | | | 1.1.– 31.3.2015 | | | 1.1.– 31.3.2014 |
|---------------------------------------------|--------------|--------------|------------------------|------------|--------------|------------------------|
| | Gains | Losses | Net gains/ (losses) | Gains | Losses | Net gains/ (losses) |
| Trading in equity instruments | 190 | 100 | 90 | 121 | 68 | 53 |
| Trading in debt securities | 29 | 0 | 29 | 0 | 0 | 0 |
| Trading in foreign exchange (purchase/sale) | 725 | 381 | 344 | 273 | 130 | 143 |
| Trading in derivatives | 1,039 | 8,968 | (7,929) | 603 | 1,675 | (1,072) |
| – futures/forwards | 934 | 8,847 | (7,913) | 492 | 894 | (402) |
| – swaps | 48 | 45 | 3 | 111 | 37 | 74 |
| – other derivatives | 57 | 76 | (19) | 0 | 744 | (744) |
| Trading in financial liabilities | 0 | 17 | (17) | 0 | 0 | 0 |
| Total | 1,983 | 9,466 | (7,483) | 997 | 1,873 | (876) |

| Nova KBM d.d. | | | 1.1.– 31.3.2015 | | | 1.1.– 31.3.2014 |
|---------------------------------------------|--------------|--------------|------------------------|------------|--------------|------------------------|
| | Gains | Losses | Net gains/ (losses) | Gains | Losses | Net gains/ (losses) |
| Trading in equity instruments | 22 | 15 | 7 | 42 | 17 | 25 |
| Trading in debt securities | 29 | 0 | 29 | 0 | 0 | 0 |
| Trading in foreign exchange (purchase/sale) | 682 | 376 | 306 | 236 | 127 | 109 |
| Trading in derivatives | 1,035 | 8,968 | (7,933) | 527 | 1,675 | (1,148) |
| – futures/forwards | 934 | 8,847 | (7,913) | 492 | 894 | (402) |
| – swaps | 44 | 45 | (1) | 35 | 37 | (2) |
| – other derivatives | 57 | 76 | (19) | 0 | 744 | (744) |
| Trading in financial liabilities | 0 | 17 | (17) | 0 | 0 | 0 |
| Total | 1,768 | 9,376 | (7,608) | 805 | 1,819 | (1,014) |

The Group uses derivatives (futures/forwards) to economically hedge its exposure to foreign exchange risk. The effects of derivatives are linked to the effects arising from exchange rate differences (Note 13).

12 Net gains on financial assets and liabilities designated at fair value through profit or loss

| Nova KBM Group | | | 1.1.– 31.3.2015 | | | 1.1.– 31.3.2014 |
|------------------------------------------------------------------|------------|------------|--------------------|--------------|----------|--------------------|
| | Gains | Losses | Net gains | Gains | Losses | Net gains |
| Financial assets designated at fair value through profit or loss | 380 | 284 | 96 | 3,703 | 7 | 3,696 |
| Total | 380 | 284 | 96 | 3,703 | 7 | 3,696 |

| Nova KBM d.d. | | | 1.1.– 31.3.2015 | | | 1.1.– 31.3.2014 |
|------------------------------------------------------------------|------------|------------|--------------------|--------------|----------|--------------------|
| | Gains | Losses | Net gains | Gains | Losses | Net gains |
| Financial assets designated at fair value through profit or loss | 380 | 284 | 96 | 3,703 | 7 | 3,696 |
| Total | 380 | 284 | 96 | 3,703 | 7 | 3,696 |

Gains and losses on financial assets designated at fair value through profit or loss are attributable to the valuation and disposal of shares and bonds for which a joint-selling agreement has been made by the Group.

13 Net exchange rate differences

| | Nova KBM Group | | Nova KBM d.d. | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Foreign exchange gains | 17,513 | 1,925 | 17,290 | 1,830 |
| Foreign exchange losses | 8,718 | 1,552 | 8,507 | 1,434 |
| Net foreign exchange gains | 8,795 | 373 | 8,783 | 396 |

14 Administration costs

| | Nova KBM Group | | Nova KBM d.d. | |
|----------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Staff costs | 11,545 | 12,585 | 8,161 | 8,639 |
| Gross salaries | 8,913 | 9,681 | 6,377 | 6,694 |
| Social security and pension insurance contribution | 1,475 | 1,621 | 1,025 | 1,077 |
| Pay for annual leave | 274 | 289 | 223 | 238 |
| Other staff costs | 883 | 994 | 536 | 630 |
| General and administrative costs | 8,468 | 8,155 | 6,258 | 5,765 |
| Costs of materials | 765 | 752 | 575 | 523 |
| Costs of services | 5,150 | 4,826 | 4,016 | 3,533 |
| Maintenance costs of fixed assets | 1,450 | 1,565 | 925 | 1,054 |
| Advertising costs | 438 | 508 | 328 | 386 |
| Other administrative costs | 665 | 504 | 414 | 269 |
| Total administration costs | 20,013 | 20,740 | 14,419 | 14,404 |

15 Provisions

| | Nova KBM Group | | Nova KBM d.d. | |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Provisions for off-balance sheet liabilities | (1,335) | (2,622) | (946) | (202) |
| Provisions for tax claims and other pending legal issues | 1,405 | 1,672 | 1,612 | 1,672 |
| Other provisions | (66) | (53) | 0 | (63) |
| Total | 4 | (1,003) | 666 | 1,407 |

16 Impairment losses

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Financial assets not measured at fair value through profit or loss | 4,881 | 5,934 | 2,087 | 8,663 |
| Other assets | 182 | (464) | 113 | 19 |
| Total impairment losses | 5,063 | 5,470 | 2,200 | 8,682 |

16.1 Impairment of financial assets not measured at fair value through profit or loss

| | Nova KBM Group | | Nova KBM d.d. | |
|-----------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Available-for-sale financial assets designated at fair value | 0 | 986 | 0 | 986 |
| Financial assets measured at amortised cost | 4,881 | 4,948 | 2,087 | 7,677 |
| – demand deposits at banks | 0 | 0 | (34) | 0 |
| – loans and advances to banks | (1) | 100 | 1 | 96 |
| – loans and advances to customers | 4,195 | 4,405 | 1,629 | 7,663 |
| – other financial assets | 687 | 443 | 491 | (82) |
| Total impairment of financial assets not measured at fair value through profit or loss | 4,881 | 5,934 | 2,087 | 8,663 |

17 Tax expense or income related to profit or loss from continuing operations

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Income tax related to profit from continuing operations | (92) | (124) | 0 | 0 |
| Deferred tax from continuing operations | (943) | (82) | (888) | 80 |
| Total | (1,035) | (206) | (888) | 80 |

Notes to the statement of financial position items

18 Cash, cash balances at central banks and other demand deposits at banks

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Cash in hand | 61,213 | 64,359 | 38,390 | 40,847 |
| Obligatory deposits at central banks | 164,560 | 269,221 | 121,580 | 221,167 |
| Other deposits at central banks | 14,071 | 14,771 | 10,473 | 11,177 |
| Demand deposits at banks | 43,934 | 73,913 | 39,235 | 62,226 |
| Total | 283,778 | 422,264 | 209,678 | 335,417 |

Obligatory deposit funds are available to finance day-to-day operations and are therefore considered as cash equivalent.

18.1 Cash and cash equivalents

| | Nova KBM Group | | Nova KBM d.d. | |
|-------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Cash, cash balances at central banks and other demand deposits at banks | 283,778 | 422,264 | 209,678 | 335,417 |
| Loans and advances to banks | 52,316 | 32,923 | 51,940 | 30,182 |
| Cash and cash equivalents of discontinued operations | 19,973 | 22,644 | 0 | 0 |
| Total | 356,067 | 477,831 | 261,618 | 365,599 |

19 Financial assets held for trading

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------|----------------|--------------|---------------|------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Derivatives | 684 | 187 | 684 | 187 |
| Equity instruments | 1,739 | 1,654 | 0 | 0 |
| Total | 2,423 | 1,841 | 684 | 187 |
| Quoted | 261 | 281 | 0 | 0 |
| Unquoted | 2,162 | 1,560 | 684 | 187 |
| Total | 2,423 | 1,841 | 684 | 187 |

No assets held in the Group's portfolio of financial assets held for trading have been pledged as collateral.

None of the instruments included in the portfolio of financial assets held for trading have the characteristics to qualify as subordinated debt.

19.1 Movements in financial assets held for trading

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------------------------------------------------|----------------|--------------|---------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 1,841 | 1,786 | 187 | 612 |
| Increase during the year | 19,934 | 6,385 | 19,827 | 4,670 |
| – acquisition | 19,280 | 6,031 | 19,280 | 4,526 |
| – exchange rate differences | 0 | 11 | 0 | 11 |
| – change in fair value (recovery and reversal of impairment) | 603 | 210 | 497 | 0 |
| – other (deferred interest, realised gains) | 51 | 133 | 50 | 133 |
| Decrease during the year | 19,352 | 6,330 | 19,330 | 5,095 |
| – disposal (sale and redemption) | 19,313 | 4,600 | 19,313 | 4,591 |
| – change in fair value (impairment and reversal of recovery) | 22 | 463 | 0 | 426 |
| – exchange rate differences | 2 | 6 | 2 | 0 |
| – other (deferred interest, realised losses) | 15 | 1,261 | 15 | 78 |
| 31 March 2015/31 December 2014 | 2,423 | 1,841 | 684 | 187 |

20 Financial assets designated at fair value through profit or loss

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Quoted equity instruments | 17,953 | 17,857 | 17,953 | 17,857 |
| Total | 17,953 | 17,857 | 17,953 | 17,857 |

As of 31 March 2015, the Group had no assets of this portfolio pledged as collateral, and during the three-month period ended 31 March 2015, it did not receive any financial assets of this portfolio from the realisation of collateral provided as security for loans.

The portfolio of financial assets designated at fair value through profit or loss includes equity instruments for which a joint-selling agreement has been made by the Group.

None of the instruments included in the portfolio of financial assets designated at fair value through profit or loss have the characteristics to qualify as subordinated debt.

20.1 Movements in financial assets designated at fair value through profit or loss

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------------------------------------------------|----------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 17,857 | 24,586 | 17,857 | 24,586 |
| Increase during the year | 380 | 7,277 | 380 | 7,277 |
| – change in fair value (recovery and reversal of impairment) | 380 | 5,614 | 380 | 5,614 |
| – other | 0 | 1,663 | 0 | 1,663 |
| Decrease during the year | 284 | 14,006 | 284 | 14,006 |
| – disposal (sale and redemption) | 0 | 12,447 | 0 | 12,447 |
| – change in fair value (impairment and reversal of recovery) | 284 | 1,552 | 284 | 1,552 |
| – other | 0 | 7 | 0 | 7 |
| 31 March 2015/31 December 2014 | 17,953 | 17,857 | 17,953 | 17,857 |

21 Available-for-sale financial assets

21.1 Analysis by type and quotation

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Equity instruments designated at fair value | 34,069 | 19,014 | 27,462 | 13,778 |
| Debt securities | 1,574,488 | 1,463,106 | 1,368,190 | 1,261,435 |
| – issued by the state and the central bank | 1,488,293 | 1,377,062 | 1,290,185 | 1,185,493 |
| – issued by banks | 46,036 | 47,692 | 44,936 | 44,598 |
| – issued by other issuers | 40,159 | 38,352 | 33,069 | 31,344 |
| Total | 1,608,557 | 1,482,120 | 1,395,652 | 1,275,213 |
| Quoted | 1,583,939 | 1,472,541 | 1,376,152 | 1,269,513 |
| Unquoted | 24,618 | 9,579 | 19,500 | 5,700 |
| Total | 1,608,557 | 1,482,120 | 1,395,652 | 1,275,213 |

As of 31 March 2015, the Group had assets of this portfolio worth €613,676,000 pledged with the Bank of Slovenia for the pool of collateral, the guarantee scheme and the guaranteed claims of depositors. During the three-month period ended 31 March 2015, the Group did not receive any financial assets of this portfolio from the realisation of collateral provided as security for loans.

None of the instruments included in the portfolio of available-for-sale financial assets have the characteristics to qualify as subordinated debt.

21.2 Movements in available-for-sale financial assets

| Nova KBM Group | Equity instruments | Debt securities | Total |
|-------------------------------------------------|--------------------|------------------|------------------|
| 1 January 2015 | 19,014 | 1,463,106 | 1,482,120 |
| Recognition of additional financial assets | 15,651 | 157,756 | 173,407 |
| Interest | 0 | (7,128) | (7,128) |
| Net revaluation through equity | 303 | 8,815 | 9,118 |
| Derecognition of financial assets upon disposal | (1,141) | 0 | (1,141) |
| Derecognition of financial assets upon maturity | 0 | (48,057) | (48,057) |
| Net gains on sale | 238 | 0 | 238 |
| Other | 4 | (4) | 0 |
| 31 March 2015 | 34,069 | 1,574,488 | 1,608,557 |

| Nova KBM Group | Equity instruments | Debt securities | Total |
|-------------------------------------------------|--------------------|------------------|------------------|
| 1 January 2014 | 34,761 | 1,432,103 | 1,466,864 |
| Recognition of additional financial assets | 2,949 | 514,209 | 517,158 |
| Interest | 0 | 934 | 934 |
| Net exchange rate differences | (3) | (1,167) | (1,170) |
| Net revaluation through equity | 4,049 | 37,818 | 41,867 |
| Net impairment through profit or loss | (3,050) | (450) | (3,500) |
| Derecognition of financial assets upon disposal | (24,804) | (106,901) | (131,705) |
| Derecognition of financial assets upon maturity | 0 | (412,894) | (412,894) |
| Net gains on sale | 5,156 | 8,180 | 13,336 |
| Other | (44) | (8,726) | (8,770) |
| 31 December 2014 | 19,014 | 1,463,106 | 1,482,120 |

| Nova KBM d.d. | Equity instruments | Debt securities | Total |
|-------------------------------------------------|--------------------|------------------|------------------|
| 1 January 2015 | 13,778 | 1,261,435 | 1,275,213 |
| Recognition of additional financial assets | 14,252 | 145,286 | 159,538 |
| Interest | 0 | (4,848) | (4,848) |
| Net revaluation through equity | 34 | 6,317 | 6,351 |
| Derecognition of financial assets upon disposal | (740) | 0 | (740) |
| Derecognition of financial assets upon maturity | 0 | (40,000) | (40,000) |
| Net gains on sale | 138 | 0 | 138 |
| 31 March 2015 | 27,462 | 1,368,190 | 1,395,652 |

| Nova KBM d.d. | Equity instruments | Debt securities | Total |
|-------------------------------------------------|--------------------|------------------|------------------|
| 1 January 2014 | 29,820 | 1,180,979 | 1,210,799 |
| Recognition of additional financial assets | 2,869 | 445,606 | 448,475 |
| Interest | 0 | 2,029 | 2,029 |
| Net revaluation through equity | 2,987 | 30,049 | 33,036 |
| Net impairment through profit or loss | (3,022) | (450) | (3,472) |
| Derecognition of financial assets upon disposal | (23,908) | (38,479) | (62,387) |
| Derecognition of financial assets upon maturity | 0 | (361,931) | (361,931) |
| Net gains on sale | 5,032 | 3,632 | 8,664 |
| 31 December 2014 | 13,778 | 1,261,435 | 1,275,213 |

22 Loans and advances to banks

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Current loans | 72,334 | 47,915 | 71,958 | 47,199 |
| Impairment of current loans | (2) | (3) | 0 | 0 |
| Non-current loans | 2,200 | 2,212 | 17,387 | 17,113 |
| Impairment of non-current loans | 0 | 0 | (5,064) | (5,013) |
| Total – net amount | 74,532 | 50,124 | 84,281 | 59,299 |
| Impairment | 2 | 3 | 5,064 | 5,013 |
| Total – gross amount | 74,534 | 50,127 | 89,345 | 64,312 |

23 Loans and advances to customers

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Current loans | 469,621 | 500,375 | 307,013 | 333,318 |
| Impairment of current loans | (134,404) | (139,005) | (58,099) | (61,026) |
| Non-current loans | 2,030,903 | 2,024,575 | 1,675,751 | 1,662,228 |
| Impairment of non-current loans | (478,157) | (471,195) | (350,993) | (344,483) |
| Claims under guarantees | 11,327 | 14,752 | 9,423 | 9,747 |
| Impairment of claims under guarantees | (7,890) | (8,627) | (6,507) | (6,490) |
| Total – net amount | 1,891,400 | 1,920,875 | 1,576,588 | 1,593,294 |
| Impairment | 620,451 | 618,827 | 415,599 | 411,999 |
| Total – gross amount | 2,511,851 | 2,539,702 | 1,992,187 | 2,005,293 |

23.1 Movements in impairment of loans and advances to customers

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 618,827 | 589,957 | 411,999 | 446,871 |
| Net impairment of principal | 4,195 | 51,823 | 1,629 | 50,530 |
| Additional impairment of interest | 4,264 | 16,931 | 3,070 | 12,275 |
| Additional impairment/reversal of impairment of fees | (149) | (592) | (10) | 179 |
| Write-off of loans and advances to customers | (6,899) | (52,533) | (1,284) | (48,297) |
| Exchange rate differences | 21 | (375) | 0 | 0 |
| Assets received from subsidiaries | 193 | 0 | 193 | 33,849 |
| Conversion of loans into equity of subsidiaries | 0 | 0 | 0 | (83,408) |
| Other | (1) | 13,616 | 2 | 0 |
| 31 March 2015/31 December 2014 | 620,451 | 618,827 | 415,599 | 411,999 |

Recognition of additional impairment/reversal of impairment of interest and fees on loans given to customers is reflected in Note 8 (Interest income and interest expenses) and Note 9 (Fee and commission income and fee and commission expenses) to the income statement.

24 Other financial assets

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Cheques | 21 | 46 | 18 | 39 |
| Claims for fees and commissions | 1,633 | 1,909 | 880 | 1,396 |
| Accounts receivables | 2,297 | 2,324 | 61 | 38 |
| Other | 18,544 | 16,064 | 12,726 | 10,281 |
| Total – net amount | 22,495 | 20,343 | 13,685 | 11,754 |
| Impairment | 4,562 | 4,552 | 1,953 | 1,537 |
| Total – gross amount | 27,057 | 24,895 | 15,638 | 13,291 |

24.1 Movements in other financial assets

| | Nova KBM Group | | Nova KBM d.d. | |
|-----------------------------------------------|----------------|--------------|---------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 4,552 | 4,853 | 1,537 | 1,667 |
| Assets acquired through business combinations | 0 | 8 | 0 | 8 |
| Additional impairment of principal | 687 | 218 | 491 | 222 |
| Additional impairment of interest | 7 | 30 | 6 | 29 |
| Additional impairment of fees | 15 | 390 | 15 | 240 |
| Write-off of other financial assets | (702) | (759) | (96) | (628) |
| Exchange rate differences | 1 | (2) | 0 | (1) |
| Other | 2 | (186) | 0 | 0 |
| 31 March 2015/31 December 2014 | 4,562 | 4,552 | 1,953 | 1,537 |

Recognition of additional impairment/reversal of impairment of interest and fees on other financial assets is reflected in Note 8 (Interest income and interest expenses) and Note 9 (Fee and commission income and fee and commission expenses) to the income statement.

25 Held-to-maturity financial assets

| | Nova KBM Group | | Nova KBM d.d. | |
|-------------------------------------------------------------------|----------------|----------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Debt securities | 182,610 | 206,540 | 65,115 | 89,950 |
| – current securities issued by the state and the central bank | 32,461 | 30,930 | 0 | 0 |
| – non-current securities issued by the state and the central bank | 116,518 | 142,078 | 55,006 | 79,943 |
| – non-current securities issued by banks and savings banks | 24,920 | 24,920 | 6,192 | 6,136 |
| – non-current securities issued by other issuers | 8,711 | 8,612 | 3,917 | 3,871 |
| Total | 182,610 | 206,540 | 65,115 | 89,950 |
| Quoted | 182,610 | 206,540 | 65,116 | 89,949 |
| Unquoted | 0 | 0 | (1) | 1 |
| Total | 182,610 | 206,540 | 65,115 | 89,950 |

As of 31 March 2015, the Group had assets of this portfolio worth €129,270,000 pledged with the Bank of Slovenia for the pool of collateral and the guarantee scheme.

25.1 Movements in held-to-maturity financial assets

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------|----------------|----------------|---------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 206,540 | 280,153 | 89,950 | 192,437 |
| Increase during the year | 14,428 | 91,313 | 582 | 3,553 |
| – acquisition | 13,326 | 84,527 | 0 | 0 |
| – reversal of impairment | 0 | 7 | 0 | 0 |
| – other (deferred interest) | 1,102 | 6,779 | 582 | 3,553 |
| Decrease during the year | 38,358 | 164,926 | 25,417 | 106,040 |
| – disposal (sale and redemption) | 34,914 | 154,865 | 24,001 | 100,000 |
| – impairment | 0 | 178 | 0 | 0 |
| – exchange rate differences | 0 | 8 | 0 | 0 |
| – other (interest received) | 3,444 | 9,875 | 1,416 | 6,040 |
| 31 March 2015/31 December 2014 | 182,610 | 206,540 | 65,115 | 89,950 |

26 Financial liabilities measured at amortised cost

| | Nova KBM Group | | Nova KBM d.d. | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Deposits | 3,040,022 | 3,095,021 | 2,450,094 | 2,475,148 |
| Loans | 394,548 | 396,942 | 365,522 | 366,281 |
| Debt securities | 52,284 | 59,129 | 54,255 | 67,452 |
| Subordinated liabilities | 1,250 | 1,250 | 0 | 0 |
| Other financial liabilities | 32,115 | 33,551 | 22,557 | 26,396 |
| Total | 3,520,219 | 3,585,893 | 2,892,428 | 2,935,277 |

26.1 Deposits by type of customers and maturity

| | Nova KBM Group | | Nova KBM d.d. | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Deposits from banks | 1,746 | 20,875 | 12,506 | 11,780 |
| – demand deposits | 1,410 | 1,793 | 12,170 | 10,718 |
| – current deposits | 336 | 18,570 | 336 | 550 |
| – non-current deposits | 0 | 512 | 0 | 512 |
| Deposits from customers | 3,038,276 | 3,074,146 | 2,437,588 | 2,463,368 |
| – demand deposits | 1,540,638 | 1,469,985 | 1,175,619 | 1,116,225 |
| – current deposits | 552,992 | 585,405 | 436,848 | 458,957 |
| – non-current deposits | 944,646 | 1,018,756 | 825,121 | 888,186 |
| Total | 3,040,022 | 3,095,021 | 2,450,094 | 2,475,148 |

26.2 Loans by type of customers and maturity

| | Nova KBM Group | | Nova KBM d.d. | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Loans from banks | 391,815 | 394,213 | 362,789 | 363,552 |
| – non-current loans | 391,815 | 394,213 | 362,789 | 363,552 |
| Loans from customers | 2,733 | 2,729 | 2,733 | 2,729 |
| – non-current loans | 2,733 | 2,729 | 2,733 | 2,729 |
| Total | 394,548 | 396,942 | 365,522 | 366,281 |

26.3 Subordinated liabilities

| Nova KBM Group | | | | | |
|--------------------------|----------|---------------------------------------|---------------|--------------|--------------|
| | Currency | Date of maturity | Interest rate | 31.3.2015 | 31.12.2014 |
| Subordinated debt | | | | | |
| Adria Bank AG (issuer) | EUR | perpetual; call option on each 28.12. | variable | 1,250 | 1,250 |
| Total | | | | 1,250 | 1,250 |

Subordinated liabilities are included in the calculation of capital adequacy. Capital risk is presented in Note 5.2.

26.4 Other financial liabilities

| | Nova KBM Group | | Nova KBM d.d. | |
|----------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Liabilities for fees and commissions | 1 | 71 | 1 | 35 |
| Liabilities for gross salaries of employees | 2,983 | 3,141 | 2,218 | 2,305 |
| Liabilities to suppliers | 1,589 | 4,446 | 1,048 | 3,528 |
| Liabilities related to payment card transactions | 8,457 | 7,965 | 8,188 | 7,939 |
| Liabilities related to ATM transactions | 2,201 | 1,747 | 2,034 | 1,614 |
| Liabilities related to funds provided by customers for making payments abroad | 1,203 | 659 | 1,137 | 647 |
| Liabilities related to cash transactions | 5,447 | 2,596 | 1,317 | 1,279 |
| Liabilities arising from participation in profits – dividends, shares of profits | 22 | 22 | 22 | 22 |
| Accruals and deferred income | 6,992 | 5,797 | 3,539 | 2,596 |
| Surplus arising from authorised transactions for customers | 106 | 179 | 106 | 179 |
| Other financial liabilities | 3,114 | 6,928 | 2,947 | 6,252 |
| Total | 32,115 | 33,551 | 22,557 | 26,396 |

The largest proportion of the amount shown under the item 'Other financial liabilities' arises from the balances held in transitional accounts.

27 Provisions

| Nova KBM Group | Provisions for restructuring | Provisions for pending legal issues | Provisions for pensions and similar benefits | Provisions for off-balance sheet liabilities | Other provisions | Total |
|---------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------------|----------------------------------------------|------------------|---------------|
| 1 January 2015 | 2,028 | 18,753 | 7,334 | 52,272 | 2,624 | 83,011 |
| Net creation of provisions through profit or loss | 0 | 1,405 | (52) | (1,335) | (14) | 4 |
| – provisions made during the year | 0 | 3,376 | 0 | 5,852 | 0 | 9,228 |
| – provisions reversed during the year | 0 | (1,971) | (52) | (7,187) | (14) | (9,224) |
| Provisions used during the year | (70) | (47) | (264) | 0 | 0 | (381) |
| 31 March 2015 | 1,958 | 20,111 | 7,018 | 50,937 | 2,610 | 82,634 |

| Nova KBM Group | Provisions for restructuring | Provisions for pending legal issues | Provisions for pensions and similar benefits | Provisions for off-balance sheet liabilities | Other provisions | Total |
|----------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------------|----------------------------------------------|------------------|----------------|
| 1 January 2014 | 11,280 | 17,785 | 6,549 | 64,060 | 489 | 100,163 |
| Net creation of provisions through profit or loss | (8,151) | 1,151 | 490 | (11,622) | 2,377 | (15,755) |
| – provisions made during the year | 1,449 | 4,418 | 1,343 | 31,261 | 2,394 | 40,865 |
| – provisions reversed during the year | (9,600) | (3,267) | (853) | (42,883) | (17) | (56,620) |
| Net creation/reversal of provisions through equity | 0 | 0 | 864 | 0 | 0 | 864 |
| Provisions used during the year | (1,101) | (167) | (428) | 0 | (238) | (1,934) |
| Exchange rate differences | 0 | (5) | (10) | (78) | (1) | (94) |
| Other | 0 | (11) | (131) | (88) | (3) | (233) |
| 31 December 2014 | 2,028 | 18,753 | 7,334 | 52,272 | 2,624 | 83,011 |

| Nova KBM d.d. | Provisions for restructuring | Provisions for pending legal issues | Provisions for pensions and similar benefits | Provisions for off-balance sheet liabilities | Other provisions | Total |
|---------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------------|----------------------------------------------|------------------|---------------|
| 1 January 2015 | 2,028 | 17,508 | 4,651 | 50,225 | 193 | 74,605 |
| Net creation of provisions through profit or loss | 0 | 1,612 | 0 | (946) | 0 | 666 |
| – provisions made during the year | 0 | 3,376 | 0 | 5,643 | 0 | 9,019 |
| – provisions reversed during the year | 0 | (1,764) | 0 | (6,589) | 0 | (8,353) |
| Provisions used during the year | (70) | (47) | (16) | 0 | 0 | (133) |
| 31 March 2015 | 1,958 | 19,073 | 4,635 | 49,279 | 193 | 75,138 |

| Nova KBM d.d. | Provisions for restructuring | Provisions for pending legal issues | Provisions for pensions and similar benefits | Provisions for off-balance sheet liabilities | Other provisions | Total |
|---------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------------|----------------------------------------------|------------------|---------------|
| 1 January 2014 | 1,680 | 15,867 | 3,940 | 61,943 | 421 | 83,851 |
| Net creation of provisions through profit or loss | 1,449 | 1,721 | 91 | (11,718) | (3) | (8,460) |
| – provisions made during the year | 1,449 | 3,872 | 442 | 27,689 | 0 | 33,452 |
| – provisions reversed during the year | 0 | (2,151) | (351) | (39,407) | (3) | (41,912) |
| Net reversal of provisions through equity | 0 | 0 | 725 | 0 | 0 | 725 |
| Provisions used during the year | (1,101) | (80) | (105) | 0 | (225) | (1,511) |
| 31 December 2014 | 2,028 | 17,508 | 4,651 | 50,225 | 193 | 74,605 |

28 Share capital

| Nova KBM Group and Nova KBM d.d. | 31.3.2015 | | 31.12.2014 | |
|----------------------------------|----------------|--|----------------|--|
| Ordinary shares | 150,000 | | 150,000 | |
| – subscribed by the state | 150,000 | | 150,000 | |

In the three-month period ended 31 March 2015 and during 2014, the Group did not purchase or sell treasury shares, and no treasury shares were held by Nova KBM at the end of March 2015, nor were shares of Nova KBM held by any of the Group companies.

29 Accumulated other comprehensive income

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Other accumulated comprehensive income in respect of available-for-sale financial assets | 50,890 | 43,375 | 39,563 | 34,292 |
| – revaluation | 61,274 | 52,224 | 47,666 | 41,315 |
| – deferred taxes | (10,384) | (8,849) | (8,103) | (7,023) |
| Other accumulated comprehensive income | (534) | (534) | (433) | (433) |
| – revaluation | (551) | (551) | (433) | (433) |
| – deferred taxes | 17 | 17 | 0 | 0 |
| Total | 50,356 | 42,841 | 39,130 | 33,859 |

29.1 Movements in accumulated other comprehensive income

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 42,841 | 8,981 | 33,859 | 7,140 |
| Net change arising from the valuation of available-for-sale financial assets | 9,050 | 41,722 | 6,351 | 33,036 |
| – valuation gains taken to equity | 9,050 | 41,718 | 6,351 | 33,036 |
| – transferred to profit or loss | 0 | 4 | 0 | 0 |
| Other net change in valuation | 0 | (850) | 0 | (725) |
| Net change in deferred taxes | (1,535) | (7,012) | (1,080) | (5,592) |
| 31 March 2015/31 December 2014 | 50,356 | 42,841 | 39,130 | 33,859 |

30 Reserves from profit

| | Nova KBM Group | | Nova KBM d.d. | |
|----------------------------|----------------|---------------|---------------|---------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Regulatory reserves | 2,302 | 2,302 | 1,796 | 1,796 |
| Statutory reserves | 17,062 | 17,062 | 17,062 | 17,062 |
| Other reserves from profit | 8,531 | 8,531 | 8,531 | 8,531 |
| Total | 27,895 | 27,895 | 27,389 | 27,389 |

30.1 Movements in reserves from profit

| | Nova KBM Group | | Nova KBM d.d. | |
|---------------------------------------|----------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| 1 January | 27,895 | 663 | 27,389 | 0 |
| Increase in regulatory reserves | 0 | 1,639 | 0 | 1,796 |
| Increase in statutory reserves | 0 | 17,062 | 0 | 17,062 |
| Increase in other reserves | 0 | 8,531 | 0 | 8,531 |
| 31 March 2015/31 December 2014 | 27,895 | 27,895 | 27,389 | 27,389 |

In accordance with the provisions of the Companies Act and Nova KBM's Articles of Association, the Nova KBM Management Board has, with the consent of the Supervisory Board, appropriated the 2014 net profit for reserves as follows:

- for regulatory reserves: €1,796,000
- for statutory reserves: €17,062,000
- for other reserves from profit: €8,531,000.

Other notes

31 Commitments and contingent liabilities by type

| | Nova KBM Group | | | Nova KBM d.d. | | |
|-----------------------------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|
| | 31.3.2015 | | | 31.3.2015 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| Financial guarantees | 56,474 | 22,546 | 79,020 | 52,604 | 18,040 | 70,644 |
| Service guarantees | 115,090 | 67,945 | 183,035 | 96,878 | 59,935 | 156,813 |
| Total guarantees | 171,564 | 90,491 | 262,055 | 149,482 | 77,975 | 227,457 |
| Unsecured letters of credit | 34 | 0 | 34 | 0 | 80 | 80 |
| Approved and undrawn loans | 114,651 | 7,061 | 121,712 | 112,992 | 6,263 | 119,255 |
| Approved and undrawn overdrafts | 180,987 | 1,119 | 182,106 | 154,994 | 0 | 154,994 |
| Approved credit lines | 8,242 | 0 | 8,242 | 0 | 0 | 0 |
| Other | 171 | 0 | 171 | 171 | 0 | 171 |
| Total commitments and contingent liabilities | 304,051 | 8,180 | 312,231 | 268,157 | 6,263 | 274,420 |
| Derivatives | 122,149 | 0 | 122,149 | 122,149 | 0 | 122,149 |
| Total | 597,798 | 98,671 | 696,469 | 539,788 | 84,318 | 624,106 |

| | Nova KBM Group | | | Nova KBM d.d. | | |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|---------------|----------------|
| | 31.12.2014 | | | 31.12.2014 | | |
| | Current | Non-current | Total | Current | Non-current | Total |
| Financial guarantees | 48,703 | 30,379 | 79,082 | 42,934 | 26,854 | 69,788 |
| Service guarantees | 107,269 | 73,784 | 181,053 | 87,509 | 65,142 | 152,651 |
| Total guarantees | 155,972 | 104,163 | 260,135 | 130,443 | 91,996 | 222,439 |
| Unsecured letters of credit | 58 | 0 | 58 | 172 | 0 | 172 |
| Approved and undrawn loans | 138,665 | 4,290 | 142,955 | 135,475 | 4,034 | 139,509 |
| Approved and undrawn overdrafts | 180,752 | 1,232 | 181,984 | 155,570 | 0 | 155,570 |
| Approved credit lines | 8,078 | 0 | 8,078 | 0 | 0 | 0 |
| Total commitments and contingent liabilities | 327,495 | 5,522 | 333,017 | 291,045 | 4,034 | 295,079 |
| Derivatives | 124,910 | 0 | 124,910 | 122,910 | 0 | 122,910 |
| Total | 608,435 | 109,685 | 718,120 | 544,570 | 96,030 | 640,600 |

32 Related party transactions

32.1 Statement of financial position and off-balance sheet items

| | Associates | | | | Subsidiaries | |
|-----------------------------------------|----------------|------------|---------------|------------|---------------|--------------|
| | Nova KBM Group | | Nova KBM d.d. | | Nova KBM d.d. | |
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Assets | | | | | | |
| Deposits and loans given (gross amount) | 13 | 2 | 12 | 2 | 46,560 | 48,732 |
| – deposits and loans to banks | 0 | 0 | 0 | 0 | 15,187 | 14,901 |
| – deposits and loans to customers | 1 | 2 | 1 | 2 | 31,364 | 33,512 |
| – other financial assets | 12 | 0 | 11 | 0 | 9 | 319 |
| Investments in securities | 2,237 | 2,237 | 2,237 | 2,237 | 177,935 | 177,935 |
| – equity instruments | 2,237 | 2,237 | 2,237 | 2,237 | 177,935 | 177,935 |
| Other claims | 0 | 0 | 0 | 0 | 45 | 0 |
| Liabilities | | | | | | |
| Deposits and loans received | 1,694 | 1,755 | 1,689 | 1,755 | 19,354 | 15,914 |
| – deposits and loans from banks | 0 | 0 | 0 | 0 | 10,760 | 10,080 |
| – deposits and loans from customers | 1,689 | 1,755 | 1,689 | 1,755 | 7,750 | 5,675 |
| – other financial liabilities | 5 | 0 | 0 | 0 | 844 | 159 |
| Securities issued | 0 | 0 | 0 | 0 | 1,970 | 8,323 |
| – debt securities | 0 | 0 | 0 | 0 | 1,970 | 8,323 |
| Off-balance sheet items | 5 | 4 | 5 | 4 | 2,661 | 1,983 |

| | Key management personnel | | | | Other related persons | | | |
|-----------------------------------------|--------------------------|------------|---------------|------------|-----------------------|--------------|---------------|------------|
| | Nova KBM Group | | Nova KBM d.d. | | Nova KBM Group | | Nova KBM d.d. | |
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Assets | | | | | | | | |
| Deposits and loans given (gross amount) | 252 | 332 | 252 | 332 | 44,702 | 44,406 | 306 | 306 |
| – loans to customers | 252 | 332 | 252 | 332 | 44,691 | 44,406 | 306 | 306 |
| – other financial assets | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 |
| Investments in securities | 0 | 0 | 0 | 0 | 417 | 417 | 383 | 383 |
| – equity instruments | 0 | 0 | 0 | 0 | 417 | 417 | 383 | 383 |
| Liabilities | | | | | | | | |
| Deposits and loans received | 440 | 495 | 434 | 495 | 1,326 | 1,678 | 511 | 654 |
| – deposits and loans from banks | 0 | 0 | 0 | | 0 | 0 | 0 | 0 |
| – deposits and loans from customers | 440 | 495 | 434 | 495 | 1,323 | 1,479 | 508 | 535 |
| – other financial liabilities | 0 | 0 | 0 | | 3 | 199 | 3 | 119 |
| Other liabilities | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Off-balance sheet items | 40 | 44 | 40 | 44 | 3,024 | 3,487 | 123 | 122 |

Key management personnel of the Group include members of the Management Board, executive directors and members of the Supervisory Board of Nova KBM.

Other related persons of the Group include:

- immediate families of the key management personnel

- entities, the owners or key management personnel of which are members of key management personnel of the Group or of their immediate families
- key management personnel of subsidiaries (management board members and executive directors)
- immediate families of the key management personnel of subsidiaries
- entities, the owners or key management personnel of which are members of key management personnel of subsidiaries or of their immediate families.

Transactions with related persons are conducted on an arm's length basis.

32.2 Income statement

| | Associates | | | Associates | | Subsidiaries |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Nova KBM Group | | | Nova KBM d.d. | | Nova KBM d.d. |
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Net interest income | (22) | (22) | (23) | (22) | 634 | 2,476 |
| Net fee and commission income | 1 | 1 | 1 | 1 | 128 | 145 |
| Other operating income | 8 | 0 | 0 | 0 | 4 | 78 |
| Costs of services | (5) | 0 | 0 | 0 | (8) | (24) |
| Impairment of loans | 0 | 0 | 0 | 0 | 648 | 253 |
| Provisions | 0 | 0 | 0 | 0 | (171) | (2,171) |
| Total | (18) | (21) | (22) | (21) | 1,235 | 757 |

| | Key management personnel | | | | | | Other related persons | |
|-------------------------------|--------------------------|----------------|----------------|----------------|----------------|----------------|-----------------------|----------------|
| | Nova KBM Group | | Nova KBM d.d. | | Nova KBM Group | | Nova KBM d.d. | |
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Net interest income | 1 | (2) | 1 | (2) | 476 | 59 | 3 | 63 |
| Net fee and commission income | 0 | 0 | 0 | 0 | (31) | (53) | 2 | 2 |
| Costs of services | (41) | (132) | (38) | (96) | (520) | (293) | (470) | (248) |
| Impairment of loans | 0 | 0 | 0 | 0 | 116 | (230) | 0 | (230) |
| Provisions | 0 | 0 | 0 | 0 | 45 | 0 | 0 | 0 |
| Total | (40) | (134) | (37) | (98) | 86 | (517) | (465) | (413) |

32.3 Loans and guarantees given

| Nova KBM Group | Management Board members | | Supervisory Board members | | | Other Group employees on individual contracts |
|------------------------------------|--------------------------|------------|---------------------------|------------|-----------|-----------------------------------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| | Loans | 114 | 92 | 28 | 29 | 2,143 |
| Average interest rate on loans (%) | 4.4 | 4.14 | 3.49 | 3.61 | 3.23 | 3.36 |
| Repayments | 19 | 7 | 2 | 7 | 94 | 496 |

| Nova KBM d.d. | Management Board members | | Supervisory Board members | | | Other Bank employees on individual contracts |
|------------------------------------|--------------------------|------------|---------------------------|------------|-----------|----------------------------------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| | Loans | 114 | 92 | 28 | 29 | 1,332 |
| Average interest rate on loans (%) | 4.4 | 4.14 | 3.49 | 3.61 | 3.02 | 3.22 |
| Repayments | 19 | 7 | 2 | 7 | 50 | 262 |

33 Exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions

| Exposure to: | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2015 | 31.12.2014 | 31.3.2015 | 31.12.2014 |
| Bank of Slovenia | 194,140 | 281,328 | 146,306 | 232,344 |
| – settlement account | 164,418 | 266,557 | 121,580 | 221,167 |
| – other | 14,071 | 14,771 | 10,474 | 11,177 |
| – Bank Resolution Fund | 15,651 | 0 | 14,252 | 0 |
| Republic of Slovenia | 1,529,578 | 1,260,066 | 1,293,283 | 1,036,914 |
| – bonds | 629,396 | 548,532 | 468,015 | 416,031 |
| – other securities | 295,764 | 276,093 | 248,370 | 213,222 |
| – loans | 1,141 | 22,099 | 41 | 20,864 |
| – loans guaranteed by the Republic of Slovenia, by type | 601,406 | 405,400 | 575,317 | 379,574 |
| – other | 970 | 7,041 | 639 | 6,322 |
| State-owned institutions | 477,693 | 452,348 | 519,706 | 496,096 |
| – loans | 196,091 | 186,426 | 197,743 | 190,177 |
| – securities | 99,714 | 97,913 | 154,711 | 153,227 |
| – commitments and contingent liabilities | 119,592 | 101,867 | 119,310 | 100,312 |
| – other | 62,296 | 66,142 | 47,942 | 52,380 |
| Total exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions | 2,201,411 | 1,993,742 | 1,959,295 | 1,765,354 |
| Share in total assets (%) | 51.03 | 45.63 | 54.73 | 48.93 |
| Off-balance sheet items covered by collateral provided by the Bank of Slovenia or the Republic of Slovenia | 901 | 901 | 901 | 901 |
| Total assets | 4,314,086 | 4,369,010 | 3,579,732 | 3,608,215 |

34 Remuneration

| | Nova KBM Group | | Nova KBM d.d. | |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 1.1.–31.3.2015 | 1.1.–31.3.2014 | 1.1.–31.3.2015 | 1.1.–31.3.2014 |
| Management Board | 81 | 67 | 81 | 67 |
| Robert Senica | 30 | 0 | 30 | 0 |
| Sabina Župec Kranjc | 30 | 0 | 30 | 0 |
| Aleš Hauc | 21 | 34 | 21 | 34 |
| Igor Žibrik | 0 | 33 | 0 | 33 |
| Supervisory Board members | 27 | 37 | 27 | 37 |
| Members of Supervisory Board committees | 16 | 15 | 16 | 15 |
| Other Group employees on individual contracts | 2,174 | 1,806 | 706 | 811 |
| Total | 2,298 | 1,925 | 830 | 930 |

Remuneration paid to Management Board members comprises: salary, pay for annual leave, bonuses, the payment of supplementary pension insurance premiums, and other remuneration under employment contracts.

Remuneration paid to members of the Supervisory Board, the Audit Committee, and the Remuneration and Nomination Committee comprises: a payment for holding the office, and to cover attendance fees, reimbursement of costs, seminar participation fees, and the payment of liability insurance premiums.

Remuneration paid to other Group employees working on individual contracts comprises: salary, pay for annual leave, bonuses, the payment of supplementary pension insurance premiums, and other remuneration under employment contracts (severance benefits paid to employees who are made redundant for business reasons, retirement benefits, compensation for a non-competition clause, and some other remuneration under employment contracts).

Igor Žibrik ended his term of office as a member of the Bank Management Board on 31 October 2014. Robert Senica and Sabina Župec Kranjc were appointed as new members of the Bank Management Board on 1 August 2014 and 17 November 2014, respectively. In February 2015, the Supervisory Board recalled Aleš Hauc from the position of the President of the Bank Management Board, and appointed Robert Senica, who was then a member of the Management Board, as the new President.

The total amount paid in the first three months of 2015 to Robert Senica, President of the Management Board, and Aleš Hauc, ex-President of the Management Board, for meeting attendances, reimbursement of costs, and bonuses in respect of their work on the supervisory board of the Group's associated company was €1,260.01 and €1,690.02, respectively.

35 Events after the statement of financial position date

On 19 May, Fitch Ratings downgraded Nova KBM's Long-Term Issuer Default Rating (IDR) to 'B+' from 'BB-', with the rating having a stable outlook, and raised its Viability Rating by one notch, to 'b+' from 'b'. Nova KBM's Support Rating was downgraded to '5' from '3', while the Support Rating Floor was changed to 'No Floor' from 'BB-'.

Financial calendar of Nova KBM for the rest of 2015

All announcements will be available through the electronic dissemination system of the Ljubljana Stock Exchange (www.ljse.si) and on the Nova KBM website (www.nkbm.si).

| Type of publication or event | Anticipated date of publication or event |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| The 27th regular Shareholders' Meeting of Nova KBM d.d. | Tuesday, 9 June 2015 |
| Decisions adopted at the 27th regular Shareholders' Meeting of Nova KBM d.d. | Wednesday, 10 June 2015 |
| Preliminary information on the results of Nova KBM d.d. for the period January – June 2015 | Friday, 31 July 2015 |
| Unaudited report on the operations of the Nova KBM Group and Nova KBM d.d. for the period January – June 2015 | Friday, 28 August 2015 |
| Preliminary information on the results of Nova KBM d.d. for the period January – September 2015 | Friday, 30 October 2015 |
| Unaudited report on the operations of the Nova KBM Group and Nova KBM d.d. for the period January – September 2015 | Monday, 30 November 2015 |
| The 2016 Business Plan of the Nova KBM Group and Nova KBM d.d. | Tuesday, 22 December 2015 |

The dates specified above are indicative only and are subject to change. Any changes in dates will be posted on the Nova KBM website.

Nova KBM d.d., May 2015