

Summary of the Unaudited Report on Operations of the Nova KBM Group and Nova KBM d.d. for the First Half of 2008

In accordance with the Securities Market Act (Official Gazette of the Republic of Slovenia Nos. 67/2007 and 100/2007 – amendment) on publishing a summary of the semi-annual report, in line with the Ljubljana Stock Exchange Rules published in the Official Gazette of the Republic of Slovenia No. 45/2008 dated 9 May 2008 and on the basis of Recommendations to public limited companies on disclosing information dated 16 May 2008, Nova KBM d.d. publishes the Summary of the unaudited report on operations of the Nova KBM Group and Nova KBM d.d. for the first half of 2008.

1 Structure of the Nova KBM Group

- controlling bank: Nova Kreditna banka Maribor, d.d.
- subsidiary banks:
 - Poštna banka Slovenije d.d., 55 per cent owned by the controlling bank
 - Adria Bank AG, Vienna, 50.54 per cent owned by the controlling bank
- subsidiary companies:
 - KBM Fineko d.o.o., 100 per cent owned by Nova KBM d.d.
 - KBM Infond d.o.o., 72 per cent owned by Nova KBM d.d.
 - KBM Leasing d.o.o., 100 per cent owned by Nova KBM d.d.
 - KBM Invest d.o.o., 100 per cent owned by Nova KBM d.d.
 - Gorica Leasing d.o.o., 100 per cent owned by Nova KBM d.d.
 - M Pay d.o.o., 50 per cent owned by Nova KBM d.d.
- indirect subsidiaries (participation of subsidiaries in other companies):
 - Multiconsult d.o.o., 39.52 per cent owned by KBM Fineko d.o.o., 18.24 per cent owned by KBM Invest d.o.o. and 18.24 per cent owned by Leasing d.o.o.. Multiconsult d.o.o. is 76 per cent indirectly owned by Nova KBM d.d.
 - Multiconsult Leasing d.o.o., 10 per cent owned by KBM Leasing d.o.o. and 90 per cent owned by Multiconsult d.o.o., or 78.4 per cent indirectly owned by Nova KBM d.d.
- associated companies
 - Zavarovalnica Maribor, d.d., 49.96 per cent owned by Nova KBM d.d.
 - Moja naložba d.d., 45 per cent owned by Nova KBM d.d.

2 Key operating data of the Nova KBM Group and Nova KBM d.d.

In the first half of 2008 the Bank increased or retained its market shares in the key operating segments, namely:

- the market share in loans to non-bank customers increased by 0.1 percentage points compared to the 2007 year-end;
- the market share in due to households also saw an increase of 0.1 percentage points in this period;

The following table demonstrates the key operating data of the Nova KBM Group and Nova KBM d.d. as at 30 June 2008 and for the period from 1 January 2008 to 30 June 2008 respectively. It also provides a reference analysis for the same accounting period of the previous financial year.

in € 000

| | Nova KBM Group | | | Nova KBM d.d. | | |
|---|--------------------|--------------|-------|--------------------|--------------|-------|
| | 30 June 2008 | 30 June 2007 | INDEX | 30 June 2008 | 30 June 2007 | INDEX |
| Total assets | 5,443,562 | 4,641,713 | 117 | 4,482,572 | 3,769,785 | 119 |
| Total loans and receivables to non-banking sector | 3,556,945 | 2,783,409 | 128 | 3,105,039 | 2,424,629 | 128 |
| Total deposits by non-banking sector | 3,120,860 | 2,796,123 | 112 | 2,615,699 | 2,342,818 | 112 |
| Total equity | 380,926 | 356,857 | 107 | 306,208 | 292,350 | 105 |
| Interest income | 148,629 | 114,409 | 130 | 123,622 | 94,130 | 131 |
| Interest expense | 84,479 | 57,337 | 147 | 72,009 | 47,351 | 152 |
| Other financial and operating income or expenses | 26,339 | 55,626 | 47 | 16,914 | 42,488 | 40 |
| Profit from continuing operations | 37,981 | 51,872 | 73 | 24,379 | 44,645 | 55 |
| Net profit for the period | 29,160 | 38,631 | 75 | 18,701 | 33,377 | 56 |
| Share book value in € | 14.79 ¹ | 14.14 | 105 | 13.11 ² | 12.51 | 105 |
| Net profit per share in € | 1.07 ³ | 1.59 | 67 | 0.80 ⁴ | 1.43 | 56 |
| ROAA before tax | 1.45 | 2.36 | | 1.15 | 2.43 | |
| ROAE before tax | 21.35 | 33.26 | | 17 | 34.56 | |
| Operating costs / Average assets | 2.07 | 2.36 | | 1.93 | 2.14 | |

At its 17th regular meeting dated 8 July 2008, the Shareholders' Meeting of Nova KBM d.d. adopted the resolution to pay to the shareholders €4,806,596.80 for the year 2007. The dividend for the year 2007 amounts to €0.20 gross per share, which is less than for the year 2006 when the gross dividend of €0.66 was paid. Shareholders entered in the share register on 10 July 2008 are entitled to receive dividends. The dividends shall be paid no later than 60 days following the adoption of the resolution of the Shareholders' Meeting.

¹ Share book value on the last day of the accounting period is calculated as the ratio between the Bank's total equity held by equity holders and the number of shares on the last day of the accounting period.

² Share book value on the last day of the accounting period is calculated as the ratio between the Bank's total equity and the number of shares on the last day of the accounting period.

³ Net profit per share is calculated as the ratio between the net profit of the Group (equity holders) generated in the first six months of the financial year and the number of the Bank's shares on the last day of the accounting period.

⁴ Net profit per share is calculated as the ratio between the net profit generated in the first six months of the financial year and the number of the Bank's shares on the last day of the accounting period.

3 Financial position of the Nova KBM Group and notes to the operations in view of the adopted plan

Profit from continuing operations of the Nova KBM Group amounted to €37,981 thousand in the period from 1 January to 30 June 2008. Profit from continuing operations of Nova KBM d.d. amounted to €24,379 in the same period.

Unfavourable performance of equities held in the trading portfolio was the main reason for a drop in **other financial income** when compared to the same period of last year. The Nova KBM Group made a loss in the amount of €12.2 million from adjusting the prices of securities to the market prices, while Nova KBM d.d. generated a loss of €11.4 million from this adjustment in the same period.

Compared to the same period of last year, **net interest income** of the Nova KBM Group increased by 12.4 per cent in the first six months of 2008, and of the Nova KBM d.d. by 10.3 per cent. Net fee and commission income of the Nova KBM Group went up by 6.2 per cent in the first half of 2008, and of the Bank by 2.3 per cent.

The Nova KBM Group established **additional impairment charges** of €2.6 million in the first half of 2008, while Nova KBM d.d. established additional impairment charges of €5.1 million in the same period.

Return on average equity before tax of the Nova KBM Group reached 21.35 per cent at the end of June 2008. **Return on average equity before tax** of Nova KBM d.d. stood at 17.00 per cent.

Net profit per share of the Nova KBM Group amounted to €1.07 in the first half of 2008, and of the Nova KBM d.d. to €0.80.

Return on average assets before tax of the Nova KBM Group came to 1.45 per cent. The ratio of operating costs in average assets of the Group stood at 2.07 per cent, 1.1 percentage points below the targeted amount. ROAA before tax of Nova KBM d.d. reached 1.15 per cent at the end of June 2008. **The ratio of operating costs in average assets** was 1.93 per cent at the end of June 2008, compared to 2.14 per cent of June 2007.

Total assets of the Nova KBM Group amounted to €5,443,562 thousand on 30 June 2008, €346,043 thousand or 7 per cent over the 2007 year-end amount. The growth achieved in the first six months of the year represents 55.85 per cent of the targeted annual growth. **Total assets of Nova KBM d.d.** amounted to €4,482,572 thousand, €263,780 thousand or 6.3 per cent over the 2007 year-end figure. The growth of €263,780 thousand represents 51.81 per cent of the targeted annual growth.

Total volume of loans to the non-banking sector of the Nova KBM Group amounted to €3,556,945 thousand at the end of June 2008 and reached 76.26 per cent of the targeted growth set for 2008. **Total volume of loans to the non-banking sector granted by Nova KBM d.d.** amounted to €3,105,039 thousand at the end of June 2008 and reached 70.40 per cent of the targeted growth set for the year 2008.

Total due to the non-banking sector of the Nova KBM Group amounted to €3,120,860 thousand at the end of June 2008 and reached 95.12 per cent of the projected growth for the year 2008. **Total due to the non-banking sector of Nova KBM d.d.** amounted to €2,615,699 thousand at the end of June 2008 and exceeded by 12.79 per cent the projected growth for the year 2008.

4 Changes to the management boards and supervisory boards of Nova KBM Group companies

Marko Planinšec stepped down from the Management Board of KBM Infond d.o.o. on 1 January 2008. Matjaž Lorenčič replaced him on 16 January 2008, after he received the licence from the Securities Market Agency (ATVP). Marko Planinšec was appointed member of the Management Board of Zavarovalnica Maribor d.d. with effect from 1 January 2008.

5 Significant events after the end of the accounting period

At its 17th regular meeting dated 8 July 2008, the Shareholders' Meeting of Nova KBM d.d. adopted the resolution to appropriate the 2007 balance sheet profit of €10,070,705.03 as follows:

€4,806,596.80 for the payment of dividends to the shareholders (€0.20 gross per share) and €5,264,108.23 for other reserves.

Shareholders entered in the share register on 10 July 2008 are entitled to receive dividends. The dividends shall be paid no later than 60 days following the adoption of the resolution on the use of the balance sheet profit.

In accordance with Article 294 of the Companies Act, the Shareholders' Meeting discharged the Management Board and the Supervisory Board from their liabilities in the financial year 2007.

For the audit of the 2008 accounting statements of Nova KBM d.d. and the Nova KBM Group the auditing company KPMG Slovenija d.o.o., Ljubljana, was appointed. In addition, the Shareholders' Meeting passed the resolution on harmonizing and amending the activities of the Bank with the new Decree on the Standard Classification of Activities.

The Shareholders' Meeting also adopted the amendments of the Bank's Articles of Association, so that the activities of the Bank are amended and adjusted with the new Decree on the Standard Classification of Activities (Article 3 of the Articles of Association). By adopting amendments to the Articles of Association, the Shareholders' Meeting authorised the Management Board to increase one or several times the share capital of the Bank by not more than €5,946,419.61 by issuing new shares. Such increase is to be realised with the consent of the Supervisory Board and without an additional resolution of the Shareholders' Meeting within five years from the entry of the amendments to the Articles of Association adopted at the Shareholders' Meeting on 8 July 2008 into the register of companies. The shares issued bear the rights, and are issued under the conditions and in the manner determined in the resolution of the Management Board on increasing the capital (Article 11 of the Articles of Association).

Moreover, the authorisation of the Management Board to issue convertible bonds was cancelled from the Articles of Association, and the members of the Supervisory Board can now be appointed for a four-year term of office. The provision regarding the appointment of a substitute member in cases where the term of office of a Supervisory Board member expires before the end of the mandate was deleted (Article 22 of the Articles of Association). Other amendments refer to the adjustment of provisions with the new legislation and do not materially interfere with the content of the Articles of Association.

Regarding the amendments to the Articles of Association, the proxy and the legal representative of the PanSlovenian Shareholders' Association (VZMD) declared to file an action for rescission on behalf of the shareholder PanSlovenian Shareholders' Association (VZMD).

Regarding the appointment of the members of the Supervisory Board, the Shareholders' Meeting adopted the resolution that on the date on which the amendments to the Articles of Association relating to the Supervisory Board are entered into the register of companies, but not later than 31 August 2008, the following members of the Supervisory Board are to be recalled: Danijel Blejc, Andrej Svetina, dr. Anton Jurgetz, Anton Guzej, Matjaž Koželj, Stanislav Lesjak, Tanja Markovič – Hribernik, Marija Ribič and Janez Erjavec.

At the same time the Shareholders' Meeting passed the resolution that on the date on which the amendments to the Articles of Association relating to the Supervisory Board are entered into the register of companies, but not later than 1 September 2008, the following persons are to be appointed as Supervisory Board members: Danijel Blejc, Andrej Svetina, dr. Anton Jurgetz, Anton Guzej, Ivan Vizjak, dr. Aleš Valentinčič, Franci Škufca, dr. Egon Žižmond and Boštjan Kramberger.

With regard to the recall of the current and the appointment of the new Supervisory Board members, the proxy and the legal representative of VZMD declared to file an action for rescission on behalf of the shareholder PanSlovenian Shareholders' Association (VZMD).

6 Ownership structure of Nova KBM d.d.

The share capital of Nova KBM d.d. consists of 23,357,984 ordinary registered shares. Until 13 September 2007, the equal amount of share capital was divided into 2,919,748 ordinary registered shares. Based on the decision regarding the amendment of the Articles of Association adopted at the Shareholders' Meeting on 20 August 2007, by which each share existing at that time was split into eight shares, additional 20,438,236 ordinary registered shares were subscribed on 13 September 2007.

Each ordinary registered share incorporates one voting right.

Nova KBM Group and Nova KBM d.d.

As at 30 June 2008 the Management Board of the Bank did not have the mandate of the Shareholders' Meeting to increase the share capital out of the authorised capital.

The Bank has not adopted a resolution on conditional increase of capital.

In the first half of 2008 the Bank did not acquire or sell its own shares. As at 30 June 2008 Nova KBM d.d. did not hold any own shares.

As at 30 June 2008 the ownership structure of the Bank was as follows: the Republic of Slovenia held a 42.31 per cent stake, the stake of Kapitalska družba d.d. and Slovenska odškodninska družba d.d. stood at 4.79 per cent, the stake owned by households was 24.13 per cent, other financial institutions held 13.11 per cent, foreign persons had a 6.00 per cent stake, non-financial companies a 3.93 per cent and other banks a 0.89 per cent stake.

10 largest shareholders as at 30 June 2008

| Number of shares | % of ownership ⁵ | Name of the shareholder |
|------------------|-----------------------------|--|
| 9,883,123 | 42.31 | REPUBLIC OF SLOVENIA |
| 1,120,000 | 4.79 | KAPITALSKA DRUŽBA, D.D. (<i>Pension Fund Management</i>) |
| 1,120,000 | 4.79 | SLOVENSKA ODŠKODNINSKA DRUŽBA, D.D. |
| 483,969 | 2.07 | KD GALILEO, Mutual fund |
| 438,146 | 1.88 | POM-INVEST, d.d. |
| 304,376 | 1.30 | TRIGLAV STEBER I, Mutual fund |
| 274,104 | 1.17 | EAST CAPITAL BALKAN FUND |
| 265,000 | 1.13 | JULIUS BAER INTERNATIONAL EQUITY FUND |
| 231,949 | 0.99 | KD RASTKO, Mutual fund |
| 204,800 | 0.88 | EVEREST CAPITAL EMERGING MARKETS FUND |

Number of shares owned by the members of the Management Board and the Supervisory Board as at 30 June 2008

| Surname and name of the shareholder | Number of shares held | % of ownership |
|-------------------------------------|-----------------------|----------------|
| Kovačič Matjaž | 1,818 | 0.00778 |
| Skernišak Manja | 258 | 0.00110 |
| mag. Blejč Daniel | 258 | 0.00110 |
| Svetina Andrej | 25 | 0.00011 |
| Erjavec Janez | 114 | 0.00049 |
| Guzej Anton | 138 | 0.00059 |
| dr. Jurgetz Anton | 66 | 0.00028 |
| Lesjak Stanislav | 42 | 0.00018 |
| dr. Markovič Hribernik Tanja | 361 | 0.00155 |
| Ribič Marija | 66 | 0.00028 |

7 Nova KBM and the Nova KBM Group operations forecast for the year 2008

Nova KBM d.d. operations forecast for the year 2008

The Supervisory Board and the Management Board adopted the Business policy and the financial plan of Nova Kreditna banka Maribor d.d. for the year 2008. The business policy and the financial plan are drafted in line with the amended action strategy for the period from 2004 to 2008.

⁵ same percentage of voting rights

For 2008, the Bank plans a 15 per cent growth in total assets and an 8.3 per cent growth in operating expenses (administration costs and depreciation). The share of operating expenses in total assets will therefore drop to 2.08 per cent (2007: 2.25 per cent).

The targeted profit from continuing operations of the Bank is set at €54.4 million or €41.9 million after taxes.

The Bank will continue to position itself as a strong and reliable Bank whose highly skilled and professional staff can provide a whole range of high-quality products and services. The Bank will expand its business into new markets.

In 2008 the Bank has been carrying out a number of internal development projects and tasks which will enhance its performance and customer service. The primary development tasks are the following:

- Introduction of the new capital accord (Basel II),
- Full installation and functioning of the Single Euro Payments Area – SEPA,
- Continuation of SISBON (Slovenian Credit Scoring Information System) activities,
- Upgrade of electronic banking,
- Development of an automated reporting system within the Group.

Long-term business objectives of the Nova KBM Group are the following:

- For enhancing cross-selling, the Nova KBM Group intends to utilise the capacity and the services of the Group members in order to offer its existing and potential new customers a whole range of financial products and services.
- In the private banking segment, the Group intends to further develop its already existing bankassurance products and services. This will be achieved by adding new insurance products and mutual fund products which are currently available in its branches, and will eventually be available in the PBS d.d. branches.
- The Nova KBM Group will focus on a continuous development of its distribution network in Slovenia and abroad. The Group plans to maintain this network and, should this prove efficient, expand it further.
- The Nova KBM Group will try to strengthen its presence in the segment of small- and medium-sized companies through cross-selling of a large number of products and services to these customers. Moreover, the Group intends to build up economic and financial advisory services that are already offered to its corporate customers.
- In order to become even more cost efficient, and to increase its income and cut down on expenses, the Nova KBM Group plans to invest in alternative distribution channels. In addition, the Group intends to seek synergies between the activities of the Group members, and to upgrade its IT system.

For 2008, the Nova KBM Group plans to achieve a 13 per cent **growth in total assets**. **Total net profit** of the Group planned for 2008 is set at €48.6 million.

8 Comment on future uncertainty

The turmoil in the financial markets caused by the events in the sub-prime mortgage market in the United States of America had a negative impact on interbank markets. Banks are facing new challenges and financial markets are pervaded with mistrust and insecurity. Conditions for borrowing long-term funds from foreign banks are becoming quite unfavourable, therefore a growth in funding from foreign banks might be lower than anticipated. Higher risk premiums make funding more costly and this will result in higher interest expenses. Should the foreign market conditions further deteriorate, the Nova KBM Group will have to assess its lending activity limits in an even more conservative way.

The Nova KBM Group monitors the uncertainty in capital and international money markets and adapts its activities in accordance with the existing situation.

Management Board of
Nova KBM d.d.

I. FINANCIAL STATEMENTS OF NOVA KBM GROUP

CONSOLIDATED INCOME STATEMENT OF NOVA KBM GROUP for the period from 1 January to 30 June

| ITEM DESCRIPTION | in € 000 | |
|--|-----------------------------------|-----------------------------------|
| | From 1 January to 30 June 2008 | From 1 January to 30 June 2007 |
| Interest income | 148,629 | 114,409 |
| Interest expense | (84,479) | (57,337) |
| Net interest income | 64,150 | 57,072 |
| Dividend income | 4,781 | 848 |
| Fee and commission income | 32,989 | 29,852 |
| Fee and commission expenses | (6,568) | (4,983) |
| Net fee and commission income | 26,421 | 24,869 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 2,297 | 2,646 |
| Net gains on financial assets and liabilities held for trading | (12,164) | 24,005 |
| Gains on financial assets and liabilities recognised at fair value through profit or loss | 0 | 55 |
| Fair value adjustments in hedge accounting | (1,271) | 125 |
| Exchange differences | 2,520 | 17 |
| Net gains on derecognition of assets excluding non-current assets held for sale | 163 | 298 |
| Other operating net income | 3,592 | 2,763 |
| Administration costs | (47,175) | (46,083) |
| Depreciation | (6,671) | (5,666) |
| Provisions | 1,366 | (2,339) |
| Impairment charges | (2,572) | (9,254) |
| Negative goodwill | 0 | 0 |
| Share of the profit or loss of associates and joint ventures accounted for using the equity method | 2,544 | 2,356 |
| Total net profit from non-current assets and disposal groups classified as held for sale | 0 | 160 |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | 37,981 | 51,872 |
| Tax expense | (8,821) | (13,241) |
| NET PROFIT FROM CONTINUING OPERATIONS | 29,160 | 38,631 |
| NET PROFIT FOR THE PERIOD | 29,160 | 38,631 |
| a) Profit attributable to equity holders of the parent | 25,041 | 37,053 |
| b) Profit attributable to minority interest | 4,119 | 1,578 |
| Basic earnings per share | 0.0011 | 0.0016 |
| Diluted earnings per share | 0.0011 | 0.0016 |

CONSOLIDATED BALANCE SHEET OF NOVA KBM GROUP

| in € 000 | | |
|--|------------------|------------------|
| ITEM DESCRIPTION | 30 June 2008 | 31 December 2007 |
| Cash and balances with central banks | 114,971 | 113,545 |
| Financial assets held for trading | 94,441 | 120,280 |
| Available-for-sale financial assets | 944,409 | 993,888 |
| Derivatives-hedge accounting | 358 | 329 |
| Loans and receivables | 3,822,204 | 3,452,473 |
| - loans and receivables to banks | 265,300 | 296,313 |
| - loans and receivables to non-bank customers | 3,556,904 | 3,156,160 |
| Held-to-maturity investments | 140,395 | 127,194 |
| Accrued interest income on financial assets | 76 | 9 |
| Non-current assets classified as held for sale and discontinued operations | 3,325 | 138 |
| Property, plant and equipment | 88,405 | 82,232 |
| Investment property | 5,583 | 6,393 |
| Intangible assets | 26,045 | 25,483 |
| Investments in subsidiaries, associates and joint ventures | 31,838 | 35,652 |
| Tax assets | 14,270 | 6,376 |
| - current tax assets | 5,758 | 87 |
| - deferred tax assets | 8,512 | 6,289 |
| Other assets | 157,242 | 133,527 |
| TOTAL ASSETS | 5,443,562 | 5,097,519 |
| Deposits from central banks | 4 | 8 |
| Financial liabilities held for trading | 48 | 12 |
| Derivatives-hedge accounting | 221 | 89 |
| Financial liabilities measured at amortised cost | 4,901,016 | 4,597,125 |
| - deposits from banks | 184,451 | 167,370 |
| - deposits from non-bank customers | 3,116,090 | 2,962,368 |
| - loans and advances from banks | 1,266,701 | 1,105,031 |
| - loans and advances from non-bank customers | 4,770 | 5,638 |
| - debt instruments | 110,746 | 113,920 |
| - subordinated liabilities | 218,258 | 242,798 |
| Accrued interest expenses on financial liabilities | 22,529 | 21,430 |
| Provisions | 31,765 | 33,162 |
| Tax liabilities | 14,231 | 8,363 |
| - current tax liabilities | 7,578 | 2,424 |
| - deferred tax liabilities | 6,653 | 5,939 |
| Other liabilities | 92,822 | 66,316 |
| TOTAL LIABILITIES | 5,062,636 | 4,726,505 |
| Basic equity | 24,369 | 24,366 |
| Share premium | 29,083 | 29,083 |
| Fair value reserves | (10,120) | 7,219 |
| Profit reserves (including retained earnings) | 267,186 | 260,053 |
| Treasury shares | (27) | (27) |
| Income from current year | 34,875 | 17,159 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT | 345,366 | 337,853 |
| Minority interest | 35,560 | 33,161 |
| TOTAL EQUITY | 380,926 | 371,014 |
| TOTAL LIABILITIES AND EQUITY | 5,443,562 | 5,097,519 |

CONSOLIDATED CASH FLOW STATEMENT OF NOVA KBM GROUP for the period from 1 January to 30 June
(table 1 of 2) in € 000

| Designation | ITEM DESCRIPTION | 2008 | 2007 |
|--|---|------------------|------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| a) | Total profit or loss before tax | 37,981 | 51,872 |
| | Depreciation | 6,671 | 5,666 |
| | Impairments of tangible assets, investment property, intangible fixed assets and other assets | 341 | (109) |
| | (Negative goodwill) | 0 | 0 |
| | Share of the profit or loss of associates and joint ventures accounted for using the equity method | (2,544) | 2,356 |
| | Net (gains)/losses from exchange differences | (2,520) | (17) |
| | Net (gains)/losses from financial assets held to maturity | 2 | (57) |
| | Net (gains)/losses from sale of tangible assets and investment properties | (138) | (298) |
| | Net (gains)/losses from sale of intangible fixed assets | 0 | 0 |
| | Other (gains)/losses from investing activities | 0 | (848) |
| | Other (gains)/losses from financing activities | 4,106 | 3,360 |
| | Unrealised (gains)/losses from financial assets measured at fair value that are component of cash equivalents | 0 | 0 |
| | Net unrealised (gains)/losses from non-current assets held for sale and discontinuing operations and liabilities associated therewith | 0 | 0 |
| | Net unrealised gains in revaluation reserves from financial assets available for sale (excluding effect of deferred tax) | (21,360) | (4,346) |
| | Other adjustments to total profit or loss before tax | (4,295) | (1,578) |
| | Cash flow from operating activities before changes in operating assets and liabilities | 18,244 | 56,001 |
| b) | (Increases)/decreases in operating assets (excl. cash & cash equivalents) | (372,591) | (609,100) |
| | Net (increase)/decrease in financial assets held for trading | 23,422 | (28,131) |
| | Net (increase)/decrease in financial assets recognised at fair value through profit or loss | 2,415 | 0 |
| | Net (increase)/decrease in financial assets available for sale | 50,219 | (319,875) |
| | Net (increase)/decrease in loans and receivables | (370,199) | (243,870) |
| | Net (increase)/decrease in assets-derivatives – hedge accounting | (29) | 0 |
| | Net (increase)/decrease in non-current assets held for sale | (3,190) | 64 |
| | Net (increase)/decrease in other assets | (75,229) | (17,288) |
| c) | (Increases)/decreases in operating liabilities | 366,159 | 144,932 |
| | Net (increase)/decrease in financial liabilities to central bank | (4) | 8 |
| | Net (increase)/decrease in financial liabilities held for trading | 36 | (137) |
| | Net (increase)/decrease in deposits, loans and receivables measured at amortised cost | 340,887 | 107,536 |
| | Net (increase)/decrease in liability-derivatives – hedge accounting | 132 | 0 |
| | Net (increase)/decrease in liabilities associated with non-current assets held for sale | 0 | 0 |
| | Net (increase)/decrease in other liabilities | 25,108 | 37,525 |
| d) | Cash flow from operating activities (a+b+c) | 11,812 | (408,167) |
| e) | Income taxes (paid) refunded | (5,812) | (5,485) |
| f) | Net cash flow from operating activities (d+e) | 5,996 | (413,652) |

CONSOLIDATED CASH FLOW STATEMENT OF NOVA KBM GROUP for the period from 1 January to 30 June
(table 2 of 2) in € 000

| Designation | ITEM DESCRIPTION | 2008 | 2007 |
|--|--|-----------------|------------------|
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| a) | Receipts from investing activities | 68,350 | 243,776 |
| | Receipts from the sale of tangible assets and investment properties | 21,698 | 162 |
| | Receipts from the sale of intangible long-term assets | 0 | 1 |
| | Receipts from the disposal of subsidiaries, associates and joint ventures | 0 | 0 |
| | Receipts from non-current assets or liabilities held for sale | 67 | 0 |
| | Receipts from the sale of financial assets held to maturity | 43,512 | 243,486 |
| | Other receipts from investing activities | 3,073 | 127 |
| b) | Cash payments on investing activities | (76,743) | (68,032) |
| | (Cash payments to acquire tangible assets and investment properties) | (11,797) | (47,436) |
| | (Cash payments to acquire intangible fixed assets) | (3,739) | (2,008) |
| | (Cash payment for the investment in subsidiaries, associates and joint ventures) | (38) | (17,576) |
| | (Cash outflow to non-current assets or liabilities held for sale) | (4,645) | 0 |
| | (Cash payments to acquire held to maturity investments) | (56,524) | (1,013) |
| | (Other cash payments related to investing activities) | 0 | 1 |
| c) | Net cash flow from investing activities (a-b) | (8,393) | 175,744 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| a) | Cash proceeds from financing activities | 844 | 5,482 |
| | Cash proceeds from subordinated liabilities issued | 0 | 123 |
| | Cash proceeds from issuing shares and other equity instruments | 751 | 0 |
| | Other cash proceeds related to financial activities | 93 | 5,359 |
| b) | Cash payments on financing activities | (35,891) | (43,547) |
| | (Dividends paid) | (1,335) | (2,830) |
| | (Cash repayments of subordinated liabilities) | (30,332) | (10,102) |
| | (Other cash payments related to financial activities) | (4,224) | (30,615) |
| c) | Net cash flow from financing activities (a-b) | (35,047) | (38,065) |
| D. | Effects of change in exchange rates on cash and cash equivalents | (1,501) | (722) |
| E. | Net increase in cash and cash equivalents (Af+Bc+Cc) | (37,444) | (275,973) |
| F. | Opening balance of cash and cash equivalents | 370,147 | 516,912 |
| G. | Closing balance of cash and cash equivalents (D+E+F) | 331,202 | 240,217 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL OF NOVA KBM GROUP in the period from 1 January to 30 June 2008

in € 000

| ITEM DESCRIPTION | Basic equity | Share premium | Fair value reserves | Reserves from profit | Retained earnings or loss | Treasury shares (capital deduction item) | Income from current year | Total equity of major shareholders | Minority interest | Total equity |
|---|---------------|---------------|---------------------|----------------------|---------------------------|--|--------------------------|------------------------------------|-------------------|-----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 24,366 | 29,083 | 7,219 | 251,913 | 8,140 | (27) | 17,159 | 337,853 | 33,161 | 371,014 |
| Net gains/losses in revaluation reserves from financial assets available for sale | 0 | 0 | (17,395) | 0 | | 0 | 0 | (17,395) | (839) | (18,234) |
| Net gains/losses from consolidated capital revaluation adjustment | 0 | 0 | 56 | 0 | (13) | 0 | 0 | 43 | (1) | 42 |
| Total gains/losses after tax recognised directly in fair value reserves | 0 | 0 | (17,339) | 0 | (13) | 0 | 0 | (17,352) | (840) | (18,192) |
| Net profit or loss for the financial year (from income statement) | 0 | 0 | | 0 | 0 | 0 | 25,041 | 25,041 | 4,119 | 29,160 |
| Net profit or loss for the financial year recognised in equity | 0 | 0 | (17,339) | 0 | (13) | 0 | 25,041 | 7,689 | 3,279 | 10,968 |
| New share capital subscribed (paid) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 750 | 750 |
| Appropriation of (accounting for) dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,537) | (1,537) |
| Transfer of net profit to reserves from profit | 0 | 0 | 0 | 1,155 | 6,171 | 0 | (7,326) | 0 | 0 | 0 |
| Covering of the loss brought forward | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 3 | 0 | 0 | 1 | (181) | 0 | 1 | (176) | (93) | (269) |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 24,369 | 29,083 | (10,120) | 253,069 | 14,117 | (27) | 34,875 | 345,366 | 35,560 | 380,926 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CAPITAL OF NOVA KBM GROUP in the period from 1 January to 30 June 2007

in € 000

| ITEM DESCRIPTION | Basic equity | Share premium | Fair value reserves | Reserves from profit | Retained earnings or loss | Treasury shares (capital deduction item) | Income from current year | Total equity of major shareholders | Minority interest | Total equity |
|---|---------------|---------------|---------------------|----------------------|---------------------------|--|--------------------------|------------------------------------|-------------------|-----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 24,368 | 29,082 | 16,526 | 162,518 | 63,244 | (27) | 13,729 | 309,440 | 11,641 | 321,081 |
| Net gains/losses in revaluation reserves from financial assets available for sale | 0 | 0 | (692) | 0 | 0 | 0 | 0 | (692) | (296) | (988) |
| Total gains/losses after tax recognised directly in fair value reserves | 0 | 0 | (692) | 0 | 0 | 0 | 0 | (692) | (296) | (988) |
| Net profit or loss for the financial year (from income statement) | 0 | 0 | 0 | 0 | 0 | 0 | 37,053 | 37,053 | 1,578 | 38,631 |
| Net profit or loss for the financial year recognised in equity | 0 | 0 | (692) | 0 | 0 | 0 | 37,053 | 36,361 | 1,282 | 37,643 |
| Appropriation of (accounting for) dividends | 0 | 0 | 0 | 0 | (15,697) | 0 | 0 | (15,697) | (503) | (16,200) |
| Transfer of net profit to reserves from profit | 0 | 0 | 0 | 52,520 | (38,791) | 0 | (13,729) | 0 | 0 | 0 |
| Other | (1) | 1 | 0 | 0 | 197 | 0 | 0 | 197 | 14,136 | 14,333 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 24,367 | 29,083 | 15,834 | 215,038 | 8,953 | (27) | 37,053 | 330,301 | 26,556 | 356,857 |

II. FINANCIAL STATEMENTS OF NOVA KBM d.d.

INCOME STATEMENT OF NOVA KBM d.d. for the period from 1 January to 30 June

| | in € 000 | |
|--|-----------------------------------|-----------------------------------|
| ITEM DESCRIPTION | From 1 January to 30 June 2008 | From 1 January to 30 June 2007 |
| Interest income and similar income | 123,622 | 94,130 |
| Interest expenses and similar expenses | (72,009) | (47,351) |
| Net interest income | 51,613 | 46,779 |
| Dividend income | 6,663 | 2,231 |
| Fee and commission income | 22,472 | 20,380 |
| Fee and commission expenses | (3,894) | (2,223) |
| Net fee and commission income | 18,578 | 18,157 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 2,065 | (311) |
| Gains on financial assets and liabilities held for trading | (11,475) | 22,659 |
| Fair value adjustments in hedge accounting | (1,271) | 125 |
| Exchange differences | 1,833 | (233) |
| Gains on derecognition of assets excluding non-current assets held for sale | 104 | 26 |
| Other operating net income/loss | 417 | (326) |
| Administration costs | (35,409) | (34,688) |
| Depreciation | (5,304) | (4,599) |
| Provisions | 1,710 | (418) |
| Impairment charges | (5,145) | (4,917) |
| Total profit from non-current assets and disposal groups classified as held for sale | 0 | 160 |
| TOTAL PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | 24,379 | 44,645 |
| Tax expense related to profit or loss from continuing operations | (5,678) | (11,268) |
| TOTAL PROFIT AFTER TAX FROM CONTINUING OPERATIONS | 18,701 | 33,377 |
| NET PROFIT FOR THE PERIOD | 18,701 | 33,377 |
| Basic earnings per share | 0.0008 | 0.0014 |
| Diluted earnings per share | 0.0008 | 0.0014 |

BALANCE SHEET OF NOVA KBM d.d.

| | in € 000 | |
|--|------------------|------------------|
| ITEM DESCRIPTION | 30 June 2008 | 31 December 2007 |
| Cash and cash balances with central banks | 87,447 | 93,891 |
| Financial assets held for trading | 93,348 | 116,772 |
| Available-for-sale financial assets | 748,800 | 799,683 |
| Derivatives-hedge accounting | 358 | 329 |
| Loans and receivables | 3,351,769 | 3,043,901 |
| - loans and receivables to banks | 246,730 | 283,488 |
| - loans and receivables to non-bank customers | 3,105,039 | 2,760,413 |
| Held-to-maturity investments | 9,096 | 9,352 |
| Accrued interest income on financial assets | 3 | 2 |
| Property, plant and equipment | 55,914 | 55,995 |
| Investment property | 512 | 512 |
| Intangible assets | 24,129 | 23,440 |
| Investments in subsidiaries, associates and joint ventures | 50,787 | 49,870 |
| Tax assets | 11,809 | 5,262 |
| - current tax assets | 4,520 | 6 |
| - deferred tax assets | 7,289 | 5,256 |
| Other assets | 48,600 | 19,783 |
| TOTAL ASSETS | 4,482,572 | 4,218,792 |
| Deposits from central banks | 4 | 8 |
| Financial liabilities held for trading | 48 | 12 |
| Derivatives-hedge accounting | 221 | 89 |
| Financial liabilities measured at amortised cost | 4,062,393 | 3,832,024 |
| - deposits from banks | 15,740 | 34,327 |
| - deposits from non-bank customers | 2,610,928 | 2,484,399 |
| - loans and advances from banks | 1,141,669 | 988,108 |
| - loans and advances from non-bank customers | 4,771 | 5,638 |
| - debt instruments | 83,282 | 87,000 |
| - subordinated liabilities | 206,003 | 232,552 |
| Accrued interest expenses on financial liabilities | 21,852 | 20,944 |
| Provisions | 26,519 | 28,317 |
| Tax liabilities | 8,353 | 4,478 |
| - current tax liabilities | 5,607 | 1,432 |
| - deferred tax liabilities | 2,746 | 3,046 |
| Other liabilities | 56,974 | 36,894 |
| TOTAL LIABILITIES | 4,176,364 | 3,922,766 |
| Basic equity | 24,369 | 24,366 |
| Share premium | 28,847 | 28,847 |
| Fair value reserves | (16,399) | (7,876) |
| Reserves from profit (including retained earnings) | 240,619 | 240,619 |
| Income from current year | 28,772 | 10,070 |
| TOTAL EQUITY | 306,208 | 296,026 |
| TOTAL LIABILITIES AND EQUITY | 4,482,572 | 4,218,792 |

CASH FLOW STATEMENT OF NOVA KBM d.d. for the period from 1 January to 30 June

(table 1 of 2)

in € 000

| Designation | ITEM DESCRIPTION | 2008 | 2007 |
|--|--|------------------|------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| a) | Total profit or loss before tax | 24,379 | 44,645 |
| | Depreciation | 5,304 | 4,599 |
| | Impairments of tangible assets, investment property, intangible fixed assets and other assets | 101 | (6) |
| | Net (gains)/losses from exchange differences | (1,833) | 233 |
| | Net (gains)/losses from financial assets held to maturity | 2 | 2 |
| | Net (gains)/losses from sale of tangible assets and investment properties | (104) | (26) |
| | Other (gains)/losses from investing activities | (3,272) | (2,141) |
| | Other (gains)/losses from financing activities | 4,106 | 3,256 |
| | Net unrealised gains in revaluation reserves from financial assets available for sale (excluding effect of deferred tax) | (21,025) | (3,381) |
| | Other adjustments to total profit or loss before tax | (1,710) | 418 |
| | Cash flow from operating activities before changes in operating assets and liabilities | 5,948 | 47,599 |
| b) | (Increases)/decreases in operating assets (excl. cash & cash equivalents) | (301,324) | (556,258) |
| | Net (increase)/decrease in financial assets held for trading | 23,422 | (34,961) |
| | Net (increase)/decrease in financial assets available for sale | 50,477 | (282,360) |
| | Net (increase)/decrease in loans and receivables | (345,830) | (241,728) |
| | Net (increase)/decrease in assets-derivatives – hedge accounting | (29) | 0 |
| | Net (increase)/decrease in non-current assets held for sale | 0 | 22 |
| | Net (increase)/decrease in other assets | (29,364) | 2,769 |
| c) | (Increases)/decreases in operating liabilities | 276,962 | 83,555 |
| | Net (increase)/decrease in financial liabilities to central bank | (4) | 8 |
| | Net (increase)/decrease in financial liabilities held for trading | 36 | (137) |
| | Net (increase)/decrease in deposits, loans and receivables measured at amortised cost | 260,366 | 99,624 |
| | Net (increase)/decrease in debt instruments in issue measured at amortised cost | (3,718) | (27,398) |
| | Net (increase)/decrease in liability-derivatives – hedge accounting | 132 | 0 |
| | Net (increase)/decrease in other liabilities | 20,150 | 11,458 |
| d) | Cash flow from operating activities (a+b+c) | (18,414) | (425,104) |
| e) | Income taxes (paid) refunded | (6,727) | (3,942) |
| f) | Net cash flow from operating activities (d+e) | (25,141) | (429,046) |

CASH FLOW STATEMENT OF NOVA KBM d.d. for the period from 1 January to 30 June

(table 2 of 2)

in € 000

| Designation | ITEM DESCRIPTION | 2008 | 2007 |
|--|--|-----------------|------------------|
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| a) | Receipts from investing activities | 3,657 | 218,050 |
| | Receipts from the sale of tangible assets and investment properties | 140 | 125 |
| | Receipts from the sale of financial assets held to maturity | 445 | 217,799 |
| | Other receipts from investing activities | 3,072 | 126 |
| b) | Cash payments on investing activities | (8,627) | (14,101) |
| | (Cash payments to acquire tangible assets and investment properties) | (4,151) | (1,319) |
| | (Cash payments to acquire intangible fixed assets) | (3,559) | (1,775) |
| | (Cash payment for the investment in subsidiaries, associates and joint ventures) | (917) | (9,960) |
| | (Cash payments to acquire held to maturity investments) | 0 | (1,047) |
| c) | Net cash flow from investing activities (a-b) | (4,970) | 203,949 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| a) | Cash proceeds from financing activities | 0 | 2,482 |
| | Cash proceeds from subordinated liabilities issued | 0 | 123 |
| | Other cash proceeds related to financial activities | 0 | 2,359 |
| b) | Cash payments on financing activities | (34,106) | (33,115) |
| | (Cash repayments of subordinated liabilities) | (30,000) | (3,379) |
| | (Other cash payments related to financial activities) | (4,106) | (29,736) |
| c) | Net cash flow from financing activities (a-b) | (34,106) | (30,633) |
| D. | Effects of change in exchange rates on cash and cash equivalents | (1,496) | (721) |
| E. | Net increase in cash and cash equivalents (Af+Bc+Cc) | (64,217) | (255,730) |
| F. | Opening balance of cash and cash equivalents | 335,682 | 432,378 |
| G. | Closing balance of cash and cash equivalents (D+E+F) | 269,969 | 175,927 |

STATEMENT OF CHANGES IN EQUITY CAPITAL OF NOVA KBM d.d. in the period from 1 January to 30 June 2008

in € 000

| ITEM DESCRIPTION | Basic equity | Share premium | Fair value reserves | Reserves from profit | Net profit from current year | Total equity |
|---|---------------|---------------|---------------------|----------------------|------------------------------|----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 24,366 | 28,847 | (7,876) | 240,619 | 10,070 | 296,026 |
| Net losses in revaluation reserves from financial assets available for sale | 0 | 0 | (8,523) | 0 | 0 | (8,523) |
| Total losses after tax recognised directly in fair value reserves | 0 | 0 | (8,523) | 0 | 0 | (8,523) |
| Net profit for the financial year (from income statement) | 0 | 0 | 0 | 0 | 18,701 | 18,701 |
| Net profit or loss for the financial year recognised in equity | 0 | 0 | (8,523) | 0 | 18,701 | 10,178 |
| Other | 3 | 0 | 0 | 0 | 1 | 4 |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 24,369 | 28,847 | (16,399) | 240,619 | 28,772 | 306,208 |

Note: The difference in the line »Other« in items »Basic equity« and »Net profit from current year« (€4 thousand) derives from rounding-off.

STATEMENT OF CHANGES IN EQUITY CAPITAL OF NOVA KBM d.d. in the period from 1 January to 30 June 2007

in € 000

| ITEM DESCRIPTION | Basic equity | Share premium | Fair value reserves | Reserves from profit | Retained earnings | Net profit from current year | Total equity |
|---|---------------|---------------|---------------------|----------------------|-------------------|------------------------------|-----------------|
| OPENING BALANCE FOR THE REPORTING PERIOD | 24,368 | 28,847 | 1,977 | 157,526 | 57,485 | 8,746 | 278,949 |
| Net losses in revaluation reserves from financial assets available for sale | 0 | 0 | (4,504) | 0 | 0 | 0 | (4,504) |
| Total losses after tax recognised directly in fair value reserves | 0 | 0 | (4,504) | 0 | 0 | 0 | (4,504) |
| Net profit for the financial year (from income statement) | 0 | 0 | 0 | 0 | 0 | 33,377 | 33,377 |
| Net profit or loss for the financial year recognised in equity | 0 | 0 | (4,504) | 0 | 0 | 33,377 | 28,873 |
| Appropriation of (accounting for) dividends | 0 | 0 | 0 | 0 | (15,471) | 0 | (15,471) |
| Transfer of net profit to reserves from profit | 0 | 0 | 0 | 50,760 | (42,014) | (8,746) | 0 |
| Other | (1) | 0 | 0 | 0 | 0 | 0 | (1) |
| CLOSING BALANCE FOR THE REPORTING PERIOD | 24,367 | 28,847 | (2,527) | 208,286 | 0 | 33,377 | 292,350 |