

**Interim Financial Report for the Period 1 January to
30 June 2007**

Key highlights of Nova KBM d.d. Group Performance in the first six months of 2007

Profit before tax amounted to 51,872 thousand euros in the period from 1 January to 30 June 2007, as compared to 18,980 thousand euros for the twelve months ended 30 June 2006.

Financial and operating income and expenses amounted to 112,698 thousand euros in the period from 1 January to 30 June 2007, as compared to 72,984 thousand euros for the twelve months ended 30 June 2006.

Net interest income amounted to 57,072 thousand euros in the period from 1 January to 30 June 2007, as compared to 50,257 thousand euros for the twelve months ended 30 June 2006.

Net fee and commission income amounted to 24,869 thousand euros as compared to 20,907 thousand euros for the twelve months ended 30 June 2006.

ROAA before tax reached 2.36 per cent and ROAE before tax 33.26 per cent as at 30 June 2007.

Interest margin, calculated in relation to average total assets, was 2.60 percent.

Financial intermediation margin, calculated as a sum of net interest and non-interest income in relation to average balance sheet total stood at 5.29 percent.

As at 30 June 2007 total assets of Nova KBM d.d. Group amounted to 4,641,713 thousand euros, which represents a 812,027 thousand euros increase as compared to 30 June 2006.

Financial Highlights of NOVA KBM d.d. Group Performance

C O N T E N T	30 June 2007	30 June 2006	31 December 2006	31 December 2005
1	2	3	4	5
Balance Sheet (in EUR Thousand)				
Total assets	4,641,713	3,829,686	4,257,953	3,518,836
Total deposits of the non-banking sector	2,796,123	2,542,292	2,715,836	2,403,677
Total loans to the non-banking sector	2,783,409	2,081,195	2,309,585	1,781,375
Total equity	356,857	292,879	321,082	282,927
Income Statement				
Net interest	57,072	50,257	100,302	89,207
Net non-interest income	58,142	24,672	83,638	79,568
Staff expenses, general and administrative expenses	46,083	41,117	90,684	84,678
Amortisation/depreciation	5,666	5,322	11,114	8,839
Impairments and provisions	11,593	9,510	26,384	20,177
Total profit or loss before tax from continuing and discontinued operations	51,872	18,980	55,757	55,081
Tax expense (income) related to profit and loss from continuing and discontinued operations	13,241	- 300	10,340	9,277
Performance indicators (in %)				
a) Capital				
- capital adequacy	9.09	9.59	9.70	9.61
b) Profitability				
- interest margin	2.60	2.78	2.58	2.74
- financial intermediation margin	5.29	4.16	4.73	5.19
- return on assets before tax	2.36	1.04	1.43	1.69
- return on equity before tax	33.26	13.74	18.47	23.55
- return on equity after tax	24.31	13.97	15.04	19.58
c) Operating costs				
- operating costs / average assets	2.36	2.57	2.62	2.88

CONSOLIDATED INTERIM BALANCE SHEET OF NOVA KBM d.d. GROUP

in 000 EUR

	ITEM DESCRIPTION	AMOUNT			
		30.06.2007	30.06.2006	31.12.2006	31.12.2005
1.	Cash and cash balances with central banks	95,628	97,316	109,746	75,095
2.	Financial assets held of trading	164,049	170,619	135,918	204,415
3.	Financial assets designated at fair value through profit or loss	0	0	0	0
4.	Available-for-sale financial assets	988,395	614,766	785,985	456,534
5.	Loans and receivables	2,968,384	2,344,309	2,707,265	2,115,392
6.	Held-to-maturity investments	140,698	356,258	292,840	475,015
7.	Derivates - hedge accounting	130	0	0	0
8.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
9.	Accrued interest income on financial assets	5	1	2	0
10.	Tangible assets	78,223	72,535	79,114	69,210
11.	Investment property	5,625	4,819	5,858	4,484
12.	Intangible assets	24,507	20,498	22,996	19,485
13.	Investments in subsidiaries, associates and joint ventures	42,769	39,439	43,425	42,516
14.	Tax assets	9,941	9,211	3,886	3,130
15.	Other assets	123,305	99,456	70,885	53,165
16.	Non-current assets and disposal groups classified as held for sale	54	459	35	395
17.	TOTAL ASSETS	4,641,713	3,829,686	4,257,953	3,518,836
18.	Deposits from central banks	8	0	0	0
19.	Financial liabilities held of trading	17	247	154	0
20.	Financial liabilities designated at fair value through profit or loss	0	0	0	0
21.	Financial liabilities measured at amortised cost	4,138,433	3,451,725	3,845,043	3,147,069
22.	Financial liabilities associated to transferred assets	0	0	0	0
23.	Derivatives - hedge accounting	5	0	0	0
24.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
25.	Accrued interest expanses on financial liabilities	19,482	15,286	18,779	15,038
26.	Provisions	32,674	27,039	29,157	22,215
27.	Tax liabilities	19,589	7,415	7,444	11,990
28.	Other liabilities	74,648	35,095	36,294	39,597
29.	Liabilities included in disposal groups classified as held for sale	0	0	0	0
30.	Basic equity capital	24,367	24,369	24,368	24,374
31.	Share premium account	29,083	29,058	29,083	29,064
32.	Equity component of compound financial instruments	0	0	0	0
33.	Revaluation reserves	15,834	12,421	16,526	22,387
34.	Reserves from profit (including retained earnings)	223,991	193,181	225,761	173,586
35.	Treasury shares	-27	-27	-27	-27
36.	Income from current year	37,053	23,669	13,729	23,761
37.	Interim dividends	0	0	0	0
38.	Minority interest	26,556	10,208	11,641	9,782
39.	TOTAL LIABILITIES AND EQUITY	4,641,713	3,829,686	4,257,953	3,518,836

CONSOLIDATED INTERIM INCOME STATEMENT OF NOVA KBM d.d. GROUP

in 000 EUR

	ITEM DESCRIPTION	AMOUNT			
		30.06.2007	30.06.2006	31.12.2006	31.12.2005
1.	Interest income	114,409	88,636	184,225	158,960
2.	Interest expenses	57,337	38,379	83,923	69,754
3.	Interest net income (1 - 2)	57,072	50,257	100,302	89,206
4.	Dividend income	848	90	5,515	5,788
5.	Fee and commission income	29,852	26,165	52,035	47,024
6.	Fee and commission expenses	4,983	5,258	12,428	9,942
7.	Fee and commission net income (5 - 6)	24,869	20,907	39,607	37,082
8.	Realised gains and losses on financial assets and liabilities not measured at fair value through profit and loss	2,646	-195	1,773	-956
9.	Gains and losses on financial assets and liabilities held for trading	24,005	-1,184	15,659	23,358
10.	Gains and losses on financial assets and liabilities designated at fair value through profit or loss	55	0	0	0
11.	Fair value adjustments in hedge accounting	125	0	0	0
12.	Exchange differences	17	1,079	-1,451	-108
13.	Gains and losses on derecognition of assets other than held for sale	298	1,322	2,581	1,334
14.	Other operating net income	2,763	708	16,662	7,234
15.	Financial and operating income and expenses (3 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14)	112,698	72,984	180,646	162,938
16.	Administration costs	46,083	41,117	90,684	84,678
17.	Depreciation	5,666	5,322	11,114	8,839
18.	Provisions	2,339	4,855	7,305	4,946
19.	Impairment	9,254	4,655	19,079	15,231
20.	Negative goodwill	0	0	0	0
21.	Share of the profit or loss of associates and joint ventures accounted for using the equity method	2,356	1,945	3,292	5,837
22.	Total profit or loss from non-current assets and disposal groups classified as held for sale	160	0	0	0
23.	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (15 - 16 - 17 - 18 - 19 + 20 + 21 + 22)	51,872	18,980	55,757	55,081
24.	Tax expense (income) related to profit or loss from continuing operations	13,241	-300	10,340	9,277
25.	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (23 - 24)	38,631	19,280	45,417	45,804
26.	Total profit or loss after tax from discontinued operations	0	0	0	0
27.	NET PROFIT OR LOSS for the financial year (25 + 26)	38,631	19,280	45,417	45,804

Key highlights of NOVA KBM d.d. Performance in the first six months of 2007

Profit before tax amounted to 44,645 thousand euros in the period from 1 January to 30 June 2007, as compared to 14,268 thousand euros for the twelve months ended 30 June 2006.

Financial and operating income and expenses amounted to 89,107 thousand euros in the period from 1 January to 30 June 2007, as compared to 58,943 thousand euros for the twelve months ended 30 June 2006.

Net interest income amounted to 46,779 thousand euros in the period from 1 January to 30 June 2007, as compared to 43,412 thousand euros for the twelve months ended 30 June 2006.

Net fee and commission income amounted to 18,157 thousand euros as compared to 15,685 thousand euros for the twelve months ended 30 June 2006.

ROA before tax reached 2.43 per cent and ROE before tax 34.56 per cent as at 30 June 2007.

Interest margin, calculated in relation to average total assets, was 2.55 percent.

Financial intermediation margin, calculated as a sum of net interest and non-interest income in relation to average balance sheet total stood at 4.90 percent.

As at 30 June 2007 the balance sheet total amounted to 3,769,785 thousand euros, representing a 503,303 thousand euros increase as compared to 30 June 2006.

As at 30 June 2007 the Bank had 1,506 employees. Average net salary in the Bank was 1,072.80 euros.

The Bank's market share in terms of balance sheet total amounts to 10.1 percent.

Due to customers market share amounts to 13.3 percent and went up by 0.3 percentage points compared to the end of 2006. Loans to customers amounts to 10.1 percent and went down by 0.5 percentage points as compared to the end of 2006.

Financial Highlights of NOVA KBM d.d. Performance

C O N T E N T	30 June 2007	30 June 2006	31 December 2006	31 December 2005
Balance Sheet (in EUR Thousand)				
Total assets	3,769,785	3,266,482	3,669,158	2,992,736
Total deposits of the non-banking sector	2,342,818	2,138,497	2,279,914	2,021,358
Total loans to the non-banking sector	2,424,629	1,902,501	2,123,489	1,640,493
Total equity	292,350	258,050	278,948	246,878
Impairments of financial assets measured at amortised cost and provisions	220,519	213,717	220,915	209,696
Income Statement				
Net interest	46,779	43,412	85,927	76,167
Net non-interest income	42,488	15,531	62,356	59,212
Staff expenses, general and administrative expenses	34,688	32,617	72,377	67,963
Amortisation/depreciation	4,599	4,301	8,918	6,787
Impairments and provisions	5,335	7,757	22,526	17,690
Total profit or loss before tax from continuing and discontinued operations	44,645	14,268	44,462	42,939
Tax expense (income) related to profit and loss from continuing and discontinued operations	11,268	-1,365	7,634	8,090
Number of employees	1,506	1,541	1,511	1,546
Shares				
Number of shareholders	3	3	3	3
Number of shares (in thousands)	2,920	2,920	2,920	2,920
Nominal value of one share (in EUR)	8.35	8.35	8.35	8.35
Book value of one share (in EUR)	100.13	88.38	95.54	84.55
Performance indicators (in %)				
a) Capital				
- capital adequacy	9.08	9.81	9.95	10.21
b) Quality of balance sheet assets and commitments and contingent liabilities				
- impairments of financial assets measured at amortised costs and provisions for commitments and contingent liabilities / classified on- and off-balance sheet items	7.07	7.39	6.62	8.02
c) Profitability				
- interest margin	2.55	2.82	2.66	2.77
- financial intermediation margin	4.90	3.83	4.59	4.92
- return on assets before tax	2.43	0.92	1.38	1.56
- return on equity before tax	34.56	11.72	18.44	18.82
- return on equity after tax	25.35	12.88	15.27	15.27
d) Operating costs				
- operating costs / average assets	2.14	2.39	2.52	2.71

INTERIM BALANCE SHEET OF NOVA KBM d.d.

in 000 EUR

		AMOUNT			
		30.06.2007	30.06.2006	31.12.2006	31.12.2005
1	2	3	4	5	6
1.	Cash and cash balances with central banks	68,337	70,103	87,956	53,585
2.	Financial assets held of trading	160,143	160,906	125,182	193,518
3.	Financial assets designated at fair value through profit or loss	0	0	0	0
4.	Available-for-sale financial assets	815,866	497,240	658,373	409,195
5.	Loans and receivables	2,565,735	2,081,316	2,440,057	1,891,915
6.	Held-to-maturity investments	10,808	289,524	226,910	319,044
7.	Derivates - hedge accounting	130	0	0	0
8.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
9.	Accrued interest income on financial assets	2	1	2	0
10.	Tangible assets	56,167	55,884	58,016	56,190
11.	Investment property	467	457	467	457
12.	Intangible assets	21,053	18,547	21,216	17,674
13.	Investments in subsidiaries, associates and joint ventures	48,941	38,927	38,982	38,936
14.	Tax assets	8,003	8,015	3,170	2,442
15.	Other assets	14,133	45,133	8,805	9,385
16.	Non-current assets and disposal groups classified as held for sale	0	429	22	395
17.	TOTAL ASSETS	3,769,785	3,266,482	3,669,158	2,992,736
18.	Deposits from central banks	8	0	0	0
19.	Financial liabilities held of trading	17	247	154	0
20.	Financial liabilities designated at fair value through profit or loss	0	0	0	0
21.	Financial liabilities measured at amortised cost	3,379,356	2,946,041	3,314,706	2,682,397
22.	Financial liabilities associated to transferred assets	0	0	0	0
23.	Derivatives - hedge accounting	5	0	0	0
24.	Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	0	0	0
25.	Accrued interest expanses on financial liabilities	19,028	15,144	18,678	15,027
26.	Provisions	26,527	23,796	26,172	19,437
27.	Tax liabilities	14,549	5,299	3,829	10,433
28.	Other liabilities	37,945	17,905	26,670	18,565
29.	Liabilities included in disposal groups classified as held for sale	0	0	0	0
30.	Basic equity capital	24,367	24,369	24,368	24,374
31.	Share premium account	28,847	28,848	28,847	28,854
32.	Equity component of compound financial instruments	0	0	0	0
33.	Revaluation reserves	-2,527	2,263	1,977	6,669
34.	Reserves from profit (including retained earnings)	208,286	181,951	215,011	167,808
35.	Treasury shares	0	0	0	0
36.	Income from current year	33,377	20,619	8,746	19,172
37.	Interim dividends	0	0	0	0
38.	TOTAL LIABILITIES AND EQUITY	3,769,785	3,266,482	3,669,158	2,992,736
39.	OFF-BALANCE SHEET ITEMS (B.1-B.4)	708,753	671,719	839,012	598,139

INTERIM INCOME STATEMENT OF NOVA KBM d.d.

in 000 EUR

1	2	AMOUNT			
		01.01.- 30.06.2007	01.01.- 30.06.2006	01.01.- 31.12.2006	01.01.- 31.12.2005
		3	4	5	6
1.	Interest income	94,130	76,090	158,170	133,800
2.	Interest expenses	-47,351	-32,678	-72,243	57,633
3.	Interest net income (1 - 2)	46,779	43,412	85,927	76,167
4.	Dividend income	2,231	959	4,508	4,865
5.	Fee and commission income	20,380	18,072	40,007	35,968
6.	Fee and commission expenses	-2,223	-2,387	-6,920	4,605
7.	Fee and commission net income (5 - 6)	18,157	15,685	33,087	31,363
8.	Realised gains and losses on financial assets and liabilities not measured at fair value through profit and loss	-311	-534	1,188	-1,493
9.	Gains and losses on financial assets and liabilities held for trading	22,659	-1,640	14,143	22,005
10.	Gains and losses on financial assets and liabilities designated at fair value through profit or loss	0	0	0	0
11.	Fair value adjustments in hedge accounting	125	0	0	0
12.	Exchange differences	-233	1,087	-1,466	-121
13.	Gains and losses on derecognition of assets other than held for sale	26	202	1,177	1,373
14.	Other operating net income	-326	-228	9,719	1,220
15.	Financial and operating income and expenses (3 + 4 + 7 + 8 + 9 + 10 + 11 + 12 + 13 + 14)	89,107	58,943	148,283	135,379
16.	Administration costs	-34,688	-32,617	-72,377	67,963
17.	Depreciation	-4,599	-4,301	-8,918	6,787
18.	Provisions	-418	-4,372	-7,043	4,599
19.	Impairment	-4,917	-3,385	-15,483	13,091
20.	Negative goodwill	0	0	0	0
21.	Share of the profit or loss of associates and joint ventures accounted for using the equity method	0	0	0	0
22.	Total profit or loss from non-current assets and disposal groups classified as held for sale	160	0	0	0
23.	TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS (15 - 16 - 17 - 18 - 19 + 20 + 21 + 22)	44,645	14,268	44,462	42,939
24.	Tax expense (income) related to profit or loss from continuing operations	-11,268	1,365	-7,634	8,090
25.	TOTAL PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS (23 - 24)	33,377	15,633	36,828	34,849
26.	Total profit or loss after tax from discontinued operations	0	0	0	0
27.	NET PROFIT OR LOSS for the financial year (25 + 26)	33,377	15,633	36,828	34,849

NOVA KBM d.d. CREDIT RISK

in 000 EUR

RATING								
	Loan portfolio	A+B	A	B	C	D	E	TOTAL
31 December 2006								
1	On-Balance Sheet	2,647,636	2,216,642	430,994	64,671	30,557	48,232	2,791,096
2	Off-Balance Sheet	329,634	253,246	76,397	12,627	5,136	1,416	348,822
3	Interests and commissions	12,750	9,962	2,788	951	1,532	62,761	77,994
4	Total	2,990,029	2,479,850	510,179	78,249	37,225	112,409	3,217,912
	Share in % (1+2)	92.92	77.06	15.85	2.43	1.16	3.49	100.00
30 June 2007								
5	On-Balance Sheet	2,563,270	1,972,331	590,939	66,344	23,603	49,510	2,702,727
6	Off-Balance Sheet	197,000	93,930	103,070	19,227	5,289	349	221,865
7	Interests and commissions	10,908	7,804	3,104	556	2,136	59,645	73,245
8	Total	2,771,178	2,074,065	697,113	86,127	31,028	109,504	2,997,837
	Share in %	92.44	69.19	23.25	2.87	1.04	3.65	100.0
	Difference (8-4)	-218,851	-405,785	186,934	7,878	-6,197	-2,905	-220,075
9=8/4	Index (June / December)	93	84	137	110	83	97	93

RATING								
	Provisions and adjustments	A+B	A	B	C	D	E	TOTAL
31 December 2006								
10	Provisions for On-Balance Sheet	56,540	15,969	40,571	14,209	16,274	111,335	198,358
11	Provisions for Off-Balance Sheet	7,750	702	7,048	2,929	2,532	1,451	14,662
12	Total	64,290	16,671	47,619	17,138	18,806	112,786	213,020
30 June 2007								
13	Provisions for On-Balance Sheet	61,023	17,329	43,694	13,103	13,713	109,132	196,971
14	Provisions for Off-Balance Sheet	8,212	827	7,385	3,633	2,645	350	14,840
15	Total	69,235	18,156	51,079	16,736	16,358	109,482	211,811
16=15/12	Index (June / December)	108	109	107	98	87	97	99

RATING								
	Average provisions	A+B	A	B	C	D	E	TOTAL
17	31 December 2006	2.15	0.67	9.33	21.90	50.52	100.34	6.62
18	30 June 2007	2.50	0.88	7.33	19.43	52.72	99.98	7.07

NOVA KBM d.d. OWN FUNDS

	AS AT 30 JUNE 2007	000 EUR
1.	PAID UP SUBSCRIBED CAPITAL AND SHARE PREMIUM ACCOUNT	24,367
2.	RESERVES FROM PROFIT	208,286
3.	NET PROFIT BROUGHT FORWARD (RETAINED PROFIT)	0
4.	NET PROFIT FOR THE CURRENT FINANCIAL YEAR	0
5.	OTHER ITEMS	28,847
6.	INNOVATIVE INSTRUMENTS	0
7.	DEDUCTIONS	44,950
8.	CORE CAPITAL (1+2+3+4+5+6-7)	216,550
9.	CUMULATIVE PREFERENTIAL SHARES	0
10.	FIXED -TERM CUMULATIVE PREFERENTIAL SHARES	0
11.	HYBRID INSTRUMENTS	50,000
12.	SUBORDINATED DEBT I.	52,000
13.	OTHER ITEMS	0
14.	SUPPLEMENTARY CAPITAL I (9+10+11+12+13)	102,000
15.	SUBORDINATED DEBT II.	0
16.	SUPPLEMENTARY CAPITAL II	
	(eligible for inclusion into the calculation of own funds)	0
17.	SUPPLEMENTARY CAPITAL FOR INCLUSION IN OWN FUNDS	
	(lesser of (14 + 16) and 8)	102,000
18.	TOTAL CORE AND SUPPLEMENTARY CAPITAL	318,550
19.	DEDUCTIONS	56,907
	1) SHARES IN BANKS AND FINANCIAL ORGANIZATIONS	56,894
	2) OTHER	13
20.	TOTAL BANKS OWN CAPITAL (18-19)	261,643
	RISK ADJUSTED ON-BALANCE SHEET ASSETS	2,541,459
	RISK ADJUSTED OFF-BALANCE SHEET ASSETS	192,660
	RISK ADJUSTED ITEMS FOR DERIVATIVE FINANCIAL INSTRUMENTS	82
	FOREIGN EXCHANGE-RISK ADJUSTED ITEMS	2,420
	MARKET-RISKS ADJUSTED ITEMS	146,688
	THE BANK'S CAPITAL ADEQUACY RATIO	9.08

NOVA KBM d.d. fulfilment of regulatory limits

The Bank fulfils all provisions on exposure of 20 and 25 percent as well as on sum of all large exposures, on holdings in non-financial institutions and tangible fixed assets.

Items calculated according to the Banking Law	30 June 2007
Banks own capital (in EUR millions)	261.64
Risk adjusted assets (in EUR millions)	2,880.89
Capital adequacy (in percentage)	9.08

Limits as at 30 June 2007:				
Limit	Allowed % of own funds	Realised % of own funds	Allowed (in EUR millions)	Realised (in EUR millions)
Exposure to a single client	25%	22.5%	65.41	58.75
Exposure to a controlled company	20%	19.4%	52.33	50.88
Sum of all large exposures	800%	258.4%	2,093.14	676.01
Holdings in non-financial institutions	60%	1.6%	156.99	4.15
Holdings in a single non-financial institution	15%	0.4%	39.25	1.13
Single client in special relationship with the bank	20%	0.3%	52.33	0.81
Total exposure to a single client in special relationship with the bank	200%	0.4%	523.28	1.00