

**UNAUDITED REPORT ON OPERATIONS OF THE
NOVA KBM GROUP
FOR THE PERIOD JANUARY–DECEMBER 2010**

March 2011

Corporate governance bodies

Management Board of the Bank

| | |
|-----------------|------------------|
| Matjaž Kovačič | President |
| Manja Skernišak | Member |
| Andrej Plos | Member |

Executive Directors of the Bank

Slavko Jarc
Simon Hvalec
Ksenija Mrevlje
Aleksander Batič
Vasilij Koman
Vlasta Brečko
Peter Kupljen

Supervisory Board of the Bank

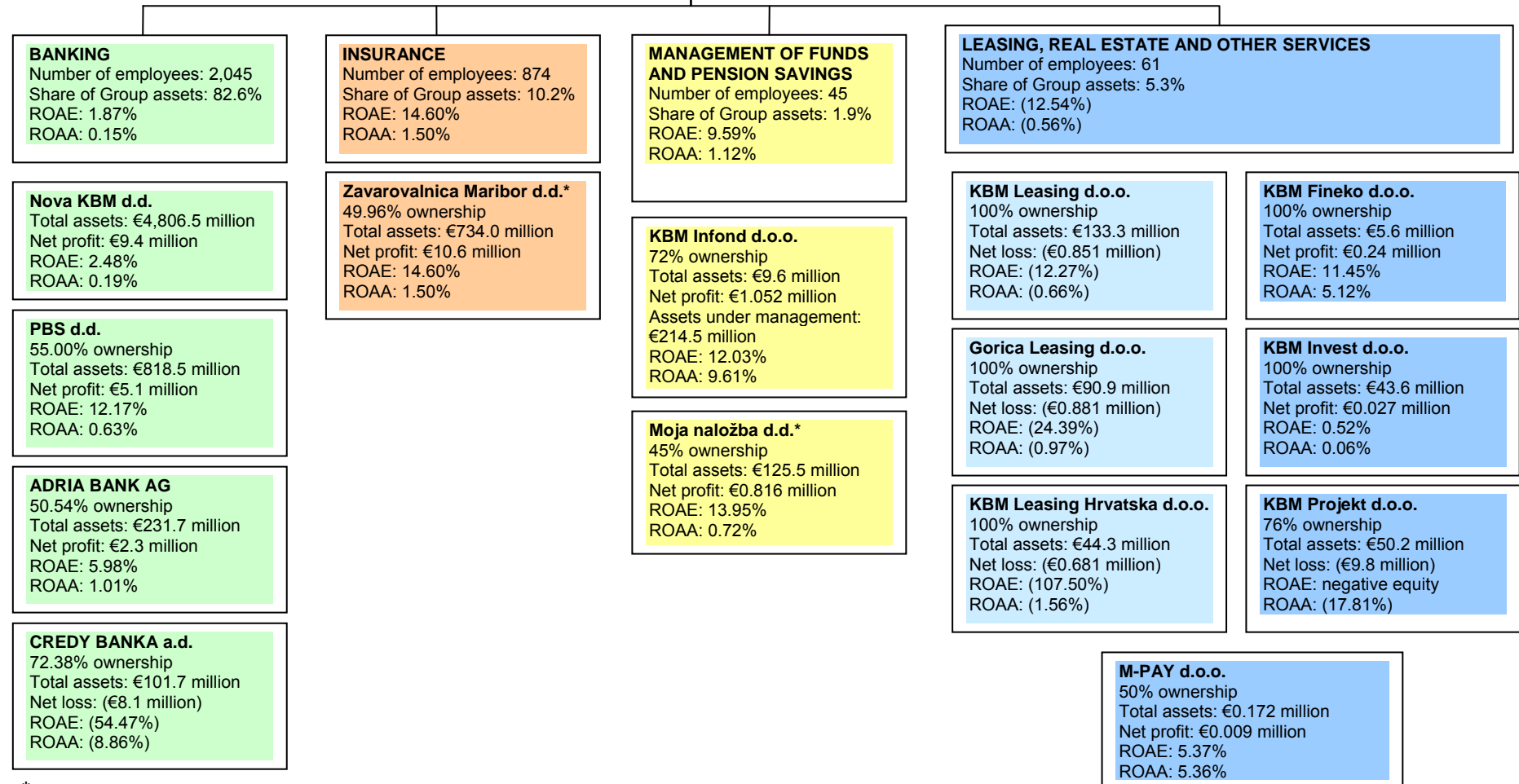
| | |
|-----------------|------------------------|
| Danilo Toplek | Chairman |
| Franc Škufca | Deputy Chairman |
| Andrej Svetina | Members |
| Dušan Jovanovič | |
| Janez Košak | |
| Alenka Bratušek | |
| Anton Guzej | |
| Ivan Vizjak | |
| Aleš Krisper | |

| | |
|--|---------------------------------------|
| 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 of the Maribor District Court: | 062/10924200 |
| VAT ID No.: | SI94314527 |
| Share capital: | €27,209,542.43 |



NOVA KBM GROUP

Total assets: €5,866.7 million
Net profit: €11.4 million
Number of employees: 3,025
ROAE: 4.14%
ROAA: 0.31%



* Associated company



Profile of the Nova KBM Group and Nova KBM d.d.

Nova KBM d.d. (in the report also referred to as the 'Bank') is the parent company of the Nova KBM Group, which is composed of the parent company and 11 subsidiaries. In addition, the Bank has equity investments in two associates. The names of the companies and ownership stakes are presented in the table below.

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

The Bank is obliged to prepare consolidated financial statements.

The Nova KBM Group is composed of the following members:

| Company | Position in the Group | Shareholding of Nova KBM (%) |
|----------------------------------|-----------------------|------------------------------|
| Nova Kreditna banka Maribor d.d. | parent bank | |
| Poštna banka Slovenije d.d. | subsidiary bank | 55.00 |
| Adria Bank AG | subsidiary bank | 50.54 |
| Credy banka a.d. | subsidiary bank | 72.38 |
| KBM Fineko d.o.o. | subsidiary company | 100.00 |
| KBM Infond d.o.o. | subsidiary company | 72.00 |
| KBM Leasing d.o.o. | subsidiary company | 100.00 |
| KBM Invest d.o.o. | subsidiary company | 100.00 |
| Gorica Leasing d.o.o. | subsidiary company | 100.00 |
| M-PAY d.o.o. | subsidiary company | 50.00 |
| KBM Projekt d.o.o. | subsidiary company | 76.00 |
| KBM Leasing Hrvatska d.o.o. | subsidiary company | 100.00 |

The Bank has equity investment in two associates: a 45% stake in Moja naložba d.d. and a 49.96% stake in Zavarovalnica Maribor d.d.

Key performance indicators of individual Group companies as of 31 December 2010

| COMPANY | Number of employees | Net profit or loss (€000) | Total assets (€000) | ROAE after tax (%) | ROAA after tax (%) |
|-----------------------------|---------------------|---------------------------|---------------------|--------------------|--------------------|
| Nova KBM d.d. | 1,393 | 9,372 | 4,806,511 | 2.5 | 0.2 |
| PBS d.d. | 233 | 5,147 | 818,496 | 12.2 | 0.6 |
| ADRIA BANK AG | 29 | 2,333 | 231,654 | 6.0 | 1.0 |
| CREDY BANKA a.d. | 390 | (8,106)* | 101,681 | (54.5) | (8.9) |
| KBM INFOND d.o.o. | 29 | 1,052 | 9,637 | 12.0 | 9.6 |
| KBM FINEKO d.o.o. | 11 | 240 | 5,640 | 11.5 | 5.1 |
| KBM LEASING d.o.o. | 13 | (851) | 133,268 | (12.3) | (0.7) |
| KBM INVEST d.o.o. | 9 | 27 | 43,589 | 0.5 | 0.1 |
| GORICA LEASING d.o.o. | 16 | (881) | 90,889 | (24.4) | (1.0) |
| KBM LEASING HRVATSKA d.o.o. | 8 | (681) | 44,342 | (107.5) | (1.6) |
| KBM PROJEKT d.o.o. | 4 | (9,772) | 50,193 | negative equity | (8.7) |
| M-PAY d.o.o. | 0 | 9 | 172 | 5.4 | 5.4 |
| ZAVAROVALNICA MARIBOR d.d. | 874 | 10,595 | 734,042 | 14.6 | 1.5 |
| MOJA NALOŽBA d.d. | 16 | 816 | 125,485 | 14.0 | 0.7 |

* Loss reported for 2010 as a whole.

Integration of Credy banka a.d. into the Group**Business combination**

Nova KBM d.d. injected in March 2010 additional capital of €9,416 thousand into Credy banka a.d., Kragujevac, Serbia, thus becoming owner of 175,046 shares or 55.1% of the share capital. The takeover was officially completed on 31 March 2010. In November 2010, Nova KBM injected additional capital in the amount of €10,000 thousand into Credy banka a.d., thus increasing its share to 72.38%.

The Shareholders' Agreement includes a provision under which a stake of the Republic of Serbia in Credy banka a.d. is subject to a call option available to the Bank and a put option available to the Republic of Serbia. Once the option is exercised, the Bank will have a 87.62% shareholding.

Consolidation of Credy banka a.d.

In the separate financial statements of the Bank, the investment in equity of Credy banka a.d. is valued at the acquisition cost, while it is fully consolidated in the Group's financial statements.

Credy banka a.d. prepares separate financial statements in compliance with IFRSs that are adjusted to conform with the Group's policy of assessing losses.

The first consolidation of equity was made as of 31 March 2010. As a proportional share of the Bank in the fair value of assets of Credy banka a.d. was lower than the purchase price, a goodwill in the amount of €2,589 thousand was recognised.

Key performance indicators of the Nova KBM Group

| | 2010 | 2009 | Index |
|---|---------------------------------|---------------------------------|-------|
| Statement of financial position (€000) | 31 December | 31 December | |
| Total assets | 5,866,657 | 5,785,637 | 101 |
| Total deposits from the non-banking sector* | 3,712,652 | 3,507,626 | 106 |
| Total loans to the non-banking sector | 4,034,927 | 3,844,138 | 105 |
| Total equity | 438,989 | 431,274 | 102 |
| Statement of income (€000) | 1 January to 31 December | 1 January to 31 December | |
| Net interest income | 147,302 | 136,489 | 108 |
| Net fee and commission income | 63,082 | 59,477 | 106 |
| Operating costs | 128,670 | 113,375 | 109 |
| Impairment losses and provisions | 83,222 | 76,811 | 108 |
| Profit from continuing operations | 18,001 | 17,604 | 102 |
| Net profit for the reporting period | 11,413 | 12,886 | 89 |
| Ratios | 31 December | 31 December | |
| Net profit per share ¹ (€) | 0.41 | 0.40 | |
| Share book value ² (€) | 15.22 | 15.04 | |
| ROAA before tax (%) | 0.31 | 0.31 | |
| ROAE before tax (%) | 4.14 | 4.26 | |
| Operating costs/Average total assets | 2.21 | 2.01 | |
| Cost/Income | 55.97 | 54.56 | |

* including loans

¹ Net profit per share is calculated as the ratio between net profit attributable to owners of the parent and the weighted average number of the Bank's shares in the reporting period.

² Share book value on the last day of the reporting period is calculated as the ratio between the equity attributable to owners of the parent and the total number of the Bank's shares outstanding on the last day of the reporting period.

Financial result of the Nova KBM Group

For 2010, the Nova KBM Group delivered a profit of €18,001 thousand from continuing operations.

The Group's profit from continuing operations before impairment losses and provisions was €101,223 thousand or 107.0% of the projected figure. The Group's operations were marked by difficult market conditions and slow recovery of economic environment. This was reflected in high net impairment losses and provisions. During 2010, the Group created net provisions and impairment losses of €83,222 thousand, which is 157.1% of the projected figure. As it is faced with a deteriorating loan portfolio and liquidity problems of its borrowers, the Group's net profit, reported by quarters, has been under pressure (for the last quarter of 2010, the Group reported even a loss).

Net profit of the Group in the amount of €11,413 thousand **exceeds by €2,041 thousand the net profit reported by Nova KBM d.d.** Apart from Nova KBM (€9,372 thousand), the following Group companies contributed the most to the net profit of the Group: PBS (€5,147 thousand) and Adria Bank (€2,333 thousand) as well as the associated company Zavarovalnica Maribor (€5,293 thousand). Credy banka reported a loss of €6,734 thousand (for the period from April through December). A loss was reported also by KBM Projekt (€9,772 thousand).

The Bank made in 2010 a **pre-tax profit of €11,365 thousand** from continuing operations and a **net profit** of €9,372 thousand. Net interest income, net fee and commission income, dividend income and other operating net income contributed the most to the result of the Bank.

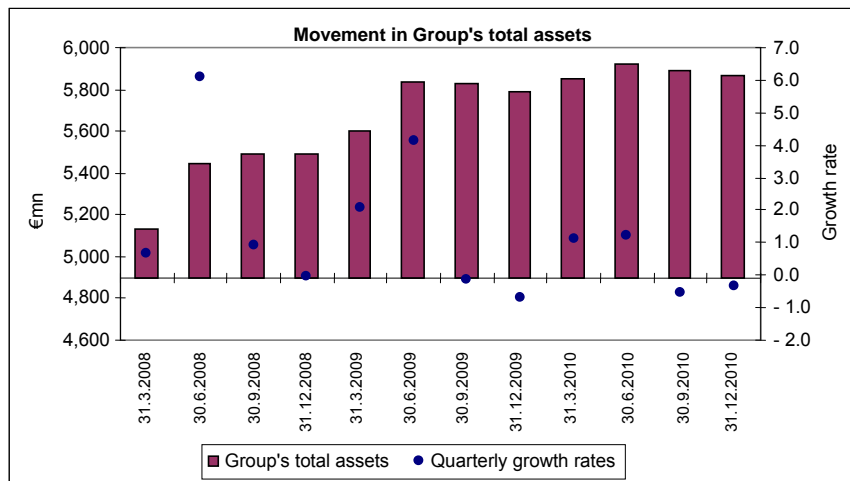
Net profit from continuing operations accounts for 54.1% of the projection for 2010, mainly due to higher impairment losses and provisions which, as a result of deterioration in the loan portfolio, amounted to 170.5% of the projected figure.

Net interest income amounted in 2010 to €110,105 thousand, 8.1% over the projected figure and 3.9% over the 2009 figure, mainly as a result of lower-than-projected interest expense.

Net fees and commissions were €46,843 thousand, up 2.8%, or €1,293 thousand, from 2009, and 102.1% of the projected figure.

Financial position of the Nova KBM Group

As of 31 December 2010, the **Group's total assets** were €5,866,657 thousand, an increase of €81,020 thousand, or 1.4%, from the 2009 year-end. The Group did not manage to increase its total assets in the last two quarters of the year.



The most significant movements on the **liabilities** side of the Group's statement of financial position in 2010 were the following:

- deposits from customers increased by €205,026 thousand or 5.8%
- other liabilities (financial liabilities due to the central bank, financial liabilities held for trading, tax liabilities, other liabilities) decreased by €50,825 thousand or 21.1%
- debts due to banks fell by €55,107 thousand or 4.2%
- debt securities decreased by €24,965 thousand or 27.6%.

On the **assets** side of the Group's statement of financial position, the following changes were the most significant in 2010:

- loans and advances to customers increased by €190,789 thousand or 5.0%
- loans and advances to banks went up by €34,596 thousand or 16.3%
- held-to-maturity financial assets increased by €34,423 thousand or 23.6%
- available-for-sale financial assets decreased by €168,160 thousand or 16.1%
- financial assets held for trading fell by €14,160 thousand or 81.8%.

As of 31 December 2010, **equity** attributable to owners of the parent bank amounted to €396,900 thousand, up €4,535 thousand, or 1.1%, from the end of 2009.

Total assets of the Bank as of 31 December 2010 amounted to €4,806,511 thousand, up €17,134 thousand, or 0.4%, from the 2009 year-end. The growth in total assets accounts for 17.6% of the annual projection.

The increase on the **liabilities** side of the Bank's statement of financial position results, among others, from a change in **deposits from customers**, which increased by €78,541 thousand, and a change in **equity**, which rose by €7,370 thousand, mainly due to the realised net profit for the financial year.

On the **assets** side of the Bank's statement of financial position, the most significant changes were registered in **loans and advances to customers**, which went up by €170,231 thousand, and **investments in subsidiaries and associates**, which increased by €19,416 thousand as a result of the March purchase of shares of Credi banka in the amount of €9,416 thousand and the November capital injection worth €10,000 into this Serbian bank.

Shareholder structure and information on shares

The Bank's shareholders' equity increased by 2%, or €7,370 thousand, year-on-year to €375,256 thousand as of 31 December 2010. The 2010 realised net profit of €9,372 thousand contributed the most to the 2010 increase in shareholders' equity, while the reduction of €2,001 thousand in market prices of securities that are valued through equity had a negative impact on the growth in equity. Of the 2010 net profit, the Management and the Supervisory Board decided to allocate €5,979 thousand to regulatory, statutory and other reserves from profit, while the remaining amount of €3,392 thousand is the profit available for distribution, on the appropriation of which the Shareholders' Meeting will reach a decision.

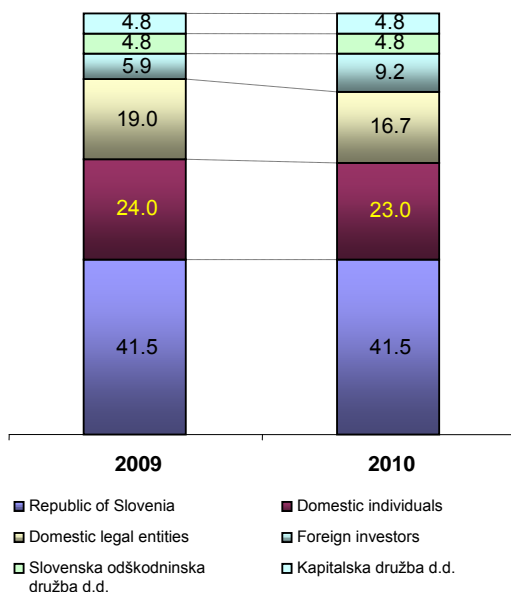
Information on shares

Nova KBM shares (ticker symbol: KBMR) are traded in the prime market segment of the Ljubljana Stock Exchange. The prime market is the most prominent segment of the equity market of the Ljubljana Stock Exchange in which the shares of the best Slovene public limited companies are traded. 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 Shareholders' Meeting.

Holders of ordinary shares have the following rights:

- participation in the management of the Bank
- participation in profits (dividend)
- pro-rata distribution of residual assets in case of bankruptcy or liquidation of the Bank.

Shareholder structure at the end of the year (%)



The Bank is bound to pay a dividend to shareholders, and shall enable shareholders to participate and to vote at Shareholders' Meetings.

The shareholder structure of Nova KBM at the end of 2010 was as follows: the Republic of Slovenia had a 41.5% ownership, Kapitalna družba d.d. and Slovenska odškodninska družba d.d. held 4.8% each, households held 23.0% (down 1.0 percentage point from the beginning of the year), other financial organisations held 10.8% (down 1.0 percentage point from the beginning of the year), foreign investors held 9.2% (up 3.3 percentage points from the beginning of the year), non-financial companies held 3.7% (down 2.7 percentage points from the beginning of the year),

and the shareholding of banks was 2.3% (up 1.6 percentage points from the beginning of the year).

10 largest shareholders as of 31 December 2010

| Shareholder | No. of shares | % of ownership ³ |
|---|---------------|-----------------------------|
| REPUBLIC OF SLOVENIA | 10,822,770 | 41.50 |
| KAPITALSKA DRUŽBA d.d. | 1,250,614 | 4.79 |
| SLOVENSKA ODSKODNINSKA DRUŽBA d.d. | 1,250,614 | 4.79 |
| KD GALILEO, mutual fund | 475,946 | 1.82 |
| EAST CAPITAL BALKAN FUND | 458,797 | 1.76 |
| TRIGLAV STEBER 1, mutual fund | 321,903 | 1.23 |
| NFD 1 DELNIŠKI INVESTICIJSKI SKLAD d.d. | 299,763 | 1.15 |
| FACTOR BANKA d.d. | 287,270 | 1.10 |
| UNICREDIT BANK AUSTRIA AG | 282,003 | 1.08 |
| EAST CAPITAL EASTERN EUROPEAN FUND | 269,712 | 1.03 |

Information on shares

| | 31.12.2010 | 31.12.2009 | 31.12.2008 | 31.12.2007 |
|--|------------|------------|------------|------------|
| Number of shareholders | 100,295 | 102,514 | 102,531 | 107,034 |
| Number of ordinary no-par value shares | 26,081,979 | 26,081,979 | 26,081,979 | 23,357,984 |
| Share price on the last trading date (€) | 10.20 | 11.44 | 9.43 | 41.91 |
| Market capitalisation (€000) | 266,036 | 298,378 | 245,953 | 978,933 |

| | Nova KBM | | | | Nova KBM Group | | | |
|---|------------|------------|------------|------------|----------------|------------|------------|------------|
| | 31.12.2010 | 31.12.2009 | 31.12.2008 | 31.12.2007 | 31.12.2010 | 31.12.2009 | 31.12.2008 | 31.12.2007 |
| Share book value ¹ (€) | 14.39 | 14.10 | 12.80 | 12.67 | 15.22 | 15.04 | 13.72 | 14.44 |
| Net earnings per share ² (€) | 0.36 | 0.47 | 0.68 | 1.82 | 0.41 | 0.40 | 0.57 | 2.23 |
| P/E ratio ³ | 28.33 | 24.34 | 13.87 | 23.03 | 12.34 | 30.11 | 16.54 | 18.79 |
| P/B ratio ⁴ | 0.71 | 0.81 | 0.74 | 3.31 | 0.61 | 0.76 | 0.69 | 2.90 |

¹ Share book value on the last day of the reporting period is calculated as the ratio between the total shareholders' equity of the Bank (for the Group: equity attributable to owners of the parent) and the weighted average number of shares in the period.

² Net earnings per share is calculated as the ratio between the Bank's net profit (for the Group: net profit attributable to owners of the parent) and the weighted average number of shares in the period.

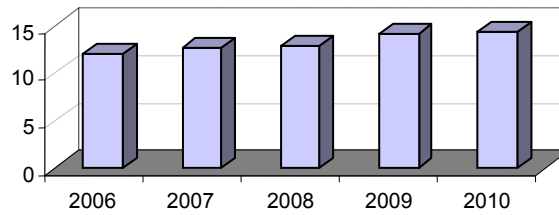
³ P/E ratio is calculated as the ratio between the share price on the last trading date and the Bank's net profit (for the Group: net profit attributable to owners of the parent) per share.

⁴ P/B ratio is calculated as the ratio between the share price on the last trading date and the share book value.

³ Voting rights equal ownership share.

The share book value has increased by 21% since 2006.

Share book value (€)

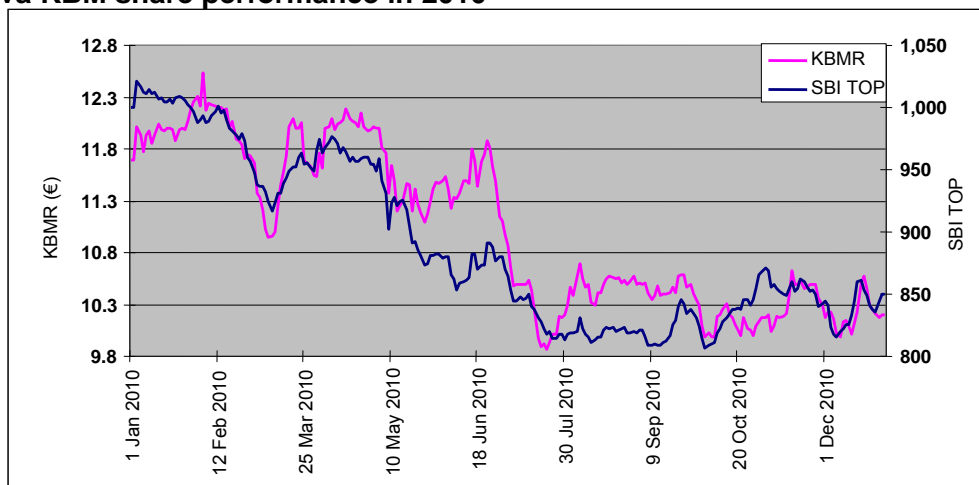


Share performance

Nova KBM share performed in line with movements in stock markets, as evidenced by the chart below.

In 2010, the total trading turnover in Nova KBM shares amounted to €17,227,872 and 1,556,610 shares changed ownership. The average daily turnover was €68,365 or 6,177 shares. The number of shareholders decreased by approximately 2,000 to 100,295 at the end of 2010. The price of a KBMR share at the beginning of the year was €11.44, after that, at the beginning of February, the share reached its maximum price in 2010 at €12.53, while the lowest price was recorded in the second half of July at €9.87. The share price at the end of 2010 was €10.20.

Nova KBM share performance in 2010



Financial Statements of the Nova KBM Group

Consolidated Statement of Income – Nova KBM Group

€000

| ITEM DESCRIPTION 2 | 2010 3 | 2009 4 | Index 5=3/4 |
|--|----------------|----------------|----------------|
| Interest income and similar income | 254,226 | 262,314 | 97 |
| Interest expense and similar expense | (106,924) | (125,825) | 85 |
| Net interest income | 147,302 | 136,489 | 108 |
| Dividend income | 1,731 | 103 | |
| Fee and commission income | 104,059 | 99,320 | 105 |
| Fee and commission expense | (40,977) | (39,843) | 103 |
| Net fee and commission income | 63,082 | 59,477 | 106 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 1,386 | 1,723 | 80 |
| Net gains/losses on financial assets and liabilities held for trading | (12,448) | 3,302 | |
| Net losses on financial assets (and liabilities) designated at fair value through profit or loss | (1,428) | (284) | 503 |
| Net exchange differences | 15,148 | 890 | |
| Net losses on derecognition of assets excluding non-current assets held for sale | (110) | (1,516) | 7 |
| Other operating net income | 9,286 | 7,370 | 126 |
| Administration costs | (113,418) | (99,296) | 114 |
| Depreciation and amortisation | (15,252) | (14,079) | 108 |
| Provisions | (3,225) | 1,337 | |
| Impairment losses | (79,997) | (78,148) | 102 |
| Share of profit of associates and joint ventures accounted for using the equity method | 5,661 | 25 | |
| Total profit from non-current assets and disposal groups classified as held for sale | 283 | 211 | 134 |
| PROFIT FROM CONTINUING OPERATIONS | 18,001 | 17,604 | 102 |
| Income tax expense related to profit from continuing operations | (6,588) | (4,718) | 140 |
| NET PROFIT FROM CONTINUING OPERATIONS | 11,413 | 12,886 | 89 |
| NET PROFIT FOR THE REPORTING PERIOD | 11,413 | 12,886 | 89 |
| a) Attributable to owners of the parent | 10,780 | 10,432 | 103 |
| b) Attributable to non-controlling interest | 633 | 2,454 | 26 |

| | | | |
|--------------------------------|------|------|--|
| Basic earnings per share (€) | 0.41 | 0.40 | |
| Diluted earnings per share (€) | 0.41 | 0.40 | |

Consolidated Statement of Financial Position – Nova KBM Group

€000

| ITEM DESCRIPTION | 31 Dec 2010 | 31 Dec 2009 | Index |
|--|------------------|------------------|------------|
| 2 | 3 | 4 | 5=3/4 |
| Cash and balances with the central bank | 140,398 | 180,085 | 78 |
| Financial assets held for trading | 3,148 | 17,308 | 18 |
| Financial assets designated at fair value through profit or loss | 16,705 | 24,736 | 68 |
| Available-for-sale financial assets | 878,006 | 1,046,166 | 84 |
| Loans and advances | 4,281,287 | 4,055,902 | 106 |
| - loans and advances to banks | 246,360 | 211,764 | 116 |
| - loans and advances to customers | 4,034,927 | 3,844,138 | 105 |
| Held-to-maturity financial assets | 180,220 | 145,797 | 124 |
| Non-current assets and disposal groups classified as held for sale and discontinued operations | 4,291 | 6,812 | 63 |
| Property, plant and equipment | 92,699 | 73,257 | 127 |
| Investment property | 44,966 | 27,790 | 162 |
| Intangible assets | 32,481 | 27,713 | 117 |
| Investments in associates and joint ventures accounted for using the equity method | 41,719 | 36,081 | 116 |
| Tax assets | 14,279 | 17,353 | 82 |
| - current tax assets | 3,739 | 5,005 | 75 |
| - deferred tax assets | 10,540 | 12,348 | 85 |
| Other assets | 136,458 | 126,637 | 108 |
| TOTAL ASSETS | 5,866,657 | 5,785,637 | 101 |
| Financial liabilities due to the central bank | 130,149 | 190,419 | 68 |
| Financial liabilities held for trading | 6,112 | 1,442 | 424 |
| Financial liabilities measured at amortised cost | 5,215,538 | 5,086,096 | 103 |
| - deposits from banks | 168,546 | 157,113 | 107 |
| - deposits from customers | 3,712,304 | 3,507,536 | 106 |
| - loans from banks | 1,076,829 | 1,138,711 | 95 |
| - loans from customers | 348 | 90 | 387 |
| - debt securities | 65,472 | 90,437 | 72 |
| - subordinated liabilities | 192,039 | 192,209 | 100 |
| Financial liabilities associated to transferred assets | 0 | 4,658 | 0 |
| Provisions | 22,620 | 23,274 | 97 |
| Tax liabilities | 6,023 | 6,778 | 89 |
| - current tax liabilities | 217 | 1,982 | 11 |
| - deferred tax liabilities | 5,806 | 4,796 | 121 |
| Other liabilities | 47,226 | 41,696 | 113 |
| TOTAL LIABILITIES | 5,427,668 | 5,354,363 | 101 |
| Share capital | 27,210 | 27,210 | 100 |
| Share premium | 78,314 | 78,314 | 100 |
| Revaluation reserves | (6,410) | (3,458) | 185 |
| Consolidation capital adjustment | (868) | 26 | |
| Reserves from profit | 297,010 | 281,138 | 106 |
| Treasury shares | 1,412 | 0 | |
| Retained earnings/loss (including net profit/loss for the financial year) | 2,188 | 9,161 | 24 |
| SHAREHOLDERS' EQUITY EXCLUDING NON-CONTROLLING INTEREST | 396,900 | 392,365 | 101 |
| Non-controlling interest | 42,089 | 38,909 | 108 |
| TOTAL SHAREHOLDERS' EQUITY | 438,989 | 431,274 | 102 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 5,866,657 | 5,785,637 | 101 |

Financial Statements of Nova KBM d.d.

Statement of Income – Nova KBM d.d.

€000

| ITEM DESCRIPTION | 2010 | 2009 | Index |
|--|----------------|----------------|------------|
| 2 | 3 | 4 | 5=4/3 |
| Interest income and similar income | 202,070 | 215,240 | 94 |
| Interest expense and similar expense | (91,965) | (109,228) | 84 |
| Net interest income | 110,105 | 106,012 | 104 |
| Dividend income | 5,500 | 1,860 | 296 |
| Fee and commission income | 52,768 | 49,535 | 107 |
| Fee and commission expense | (5,925) | (3,985) | 149 |
| Net fee and commission income | 46,843 | 45,550 | 103 |
| Realised gains on financial assets and liabilities not measured at fair value through profit or loss | 1,395 | 259 | 539 |
| Net gains/losses on financial assets and liabilities held for trading | (12,810) | 3,367 | |
| Net losses on financial assets (and liabilities) designated at fair value through profit or loss | (1,442) | (284) | 508 |
| Net exchange differences | 16,148 | 564 | 2,863 |
| Net losses on derecognition of assets excluding non-current assets held for sale | (53) | (1,259) | 4 |
| Other operating net income | 3,861 | 618 | 625 |
| Administration costs | (78,203) | (75,247) | 104 |
| Depreciation and amortisation | (12,128) | (10,813) | 112 |
| Provisions | (2,336) | (2,344) | 101 |
| Impairment losses | (65,847) | (58,033) | 113 |
| Total profit from non-current assets and disposal groups classified as held for sale | 332 | 211 | 157 |
| PROFIT FROM CONTINUING OPERATIONS | 11,365 | 15,149 | 75 |
| Income tax expense related to profit from continuing operations | (1,993) | (3,002) | 66 |
| NET PROFIT FROM CONTINUING OPERATIONS | 9,372 | 12,147 | 77 |
| NET PROFIT FOR THE FINANCIAL YEAR | 9,372 | 12,147 | 77 |

Statement of Financial Position – Nova KBM d.d.

€000

| ITEM DESCRIPTION | 31 Dec 2010 | 31 Dec 2009 | Index |
|--|------------------|------------------|------------|
| 1 | 2 | 3 | 4=2/3 |
| Financial assets held for trading | 2,784 | 16,754 | 17 |
| Financial assets designated at fair value through profit or loss | 16,266 | 24,736 | 66 |
| Available-for-sale financial assets | 685,918 | 833,407 | 82 |
| Loans and advances | 3,719,578 | 3,562,808 | 104 |
| - loans and advances to banks | 213,712 | 227,173 | 94 |
| - loans and advances to customers | 3,505,866 | 3,335,635 | 105 |
| Held-to-maturity financial assets | 78,894 | 43,043 | 183 |
| Investments in subsidiaries, associates and joint ventures | 94,352 | 74,936 | 126 |
| Other assets | 208,719 | 233,693 | 89 |
| TOTAL ASSETS | 4,806,511 | 4,789,377 | 100 |
| Financial liabilities measured at amortised cost | 4,382,405 | 4,375,736 | 100 |
| - liabilities due to banks | 1,135,136 | 1,181,850 | 96 |
| - liabilities due to customers | 3,024,912 | 2,946,371 | 103 |
| - debt securities | 44,404 | 69,544 | 64 |
| - subordinated liabilities | 177,953 | 177,971 | 100 |
| Provisions | 15,660 | 17,831 | 88 |
| Other liabilities | 33,190 | 27,924 | 119 |
| TOTAL LIABILITIES | 4,431,255 | 4,421,491 | 100 |
| TOTAL SHAREHOLDERS' EQUITY | 375,256 | 367,886 | 102 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 4,806,511 | 4,789,377 | 100 |

Financial calendar of Nova KBM d.d. for 2011

Announcements will be available in the electronic information system of the Ljubljana Stock Exchange, SEOnet (www.ljse.si), and on the Bank's website (www.nkbm.si).

| Type of announcement or event | Envisaged date of announcement or event |
|---|---|
| Audited Annual Report of Nova KBM d.d. and the Nova KBM Group | Thursday, 28 April 2011 |
| Annual information update | Thursday, 28 April 2011 |
| Statement of compliance with the Corporate Governance Code | Thursday, 28 April 2011 |
| Preliminary information on results for the period January – March 2011 | Thursday, 28 April 2011 |
| Convocation of the 20 th regular Shareholders' Meeting of Nova KBM d.d. | Monday, 9 May 2011 |
| Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – March 2011 | Monday, 30 May 2011 |
| 20 th regular Shareholders' Meeting of Nova KBM d.d. | Wednesday, 8 June 2011 |
| Decisions adopted at the 20 th regular Shareholders' Meeting of Nova KBM d.d. | Thursday, 9 June 2011 |
| Preliminary information on results for the period January – June 2011 | Tuesday, 26 July 2011 |
| Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – June 2011 | Tuesday, 30 August 2011 |
| Preliminary information on results for the period January – September 2011 | Tuesday, 25 October 2011 |
| Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – September 2011 | Tuesday, 29 November 2011 |
| 2012 Business Plan of Nova KBM d.d. and the Nova KBM Group | Wednesday, 21 December 2011 |

Stated dates are provisional and are subject to change. Possible changes of release dates will be published on the Nova KBM d.d.'s website (www.nkbm.si).

Nova KBM d.d.