

**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	<b>President</b>
Manja Skernišak	<b>Member</b>
Andrej Plos	<b>Member</b>

### 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	<b>Chairman</b>
Franc Škufca	<b>Deputy Chairman</b>
Andrej Svetina	<b>Members</b>
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%

### BANKING

Number of employees: 2,045  
Share of Group assets: 82.6%  
ROAE: 1.87%  
ROAA: 0.15%

#### Nova KBM d.d.

Total assets: €4,806.5 million  
Net profit: €9.4 million  
ROAE: 2.48%  
ROAA: 0.19%

#### PBS d.d.

55.00% ownership  
Total assets: €818.5 million  
Net profit: €5.1 million  
ROAE: 12.17%  
ROAA: 0.63%

#### ADRIA BANK AG

50.54% ownership  
Total assets: €231.7 million  
Net profit: €2.3 million  
ROAE: 5.98%  
ROAA: 1.01%

#### CREDY BANKA a.d.

72.38% ownership  
Total assets: €101.7 million  
Net loss: (€8.1 million)  
ROAE: (54.47%)  
ROAA: (8.86%)

\* Associated company

### INSURANCE

Number of employees: 874  
Share of Group assets: 10.2%  
ROAE: 14.60%  
ROAA: 1.50%

#### Zavarovalnica Maribor d.d.\*

49.96% ownership  
Total assets: €734.0 million  
Net profit: €10.6 million  
ROAE: 14.60%  
ROAA: 1.50%

### MANAGEMENT OF FUNDS AND PENSION SAVINGS

Number of employees: 45  
Share of Group assets: 1.9%  
ROAE: 9.59%  
ROAA: 1.12%

#### KBM Infond d.o.o.

72% ownership  
Total assets: €9.6 million  
Net profit: €1.052 million  
Assets under management: €214.5 million  
ROAE: 12.03%  
ROAA: 9.61%

#### Moja naložba d.d.\*

45% ownership  
Total assets: €125.5 million  
Net profit: €0.816 million  
ROAE: 13.95%  
ROAA: 0.72%

### LEASING, REAL ESTATE AND OTHER SERVICES

Number of employees: 61  
Share of Group assets: 5.3%  
ROAE: (12.54%)  
ROAA: (0.56%)

#### KBM Leasing d.o.o.

100% ownership  
Total assets: €133.3 million  
Net loss: (€0.851 million)  
ROAE: (12.27%)  
ROAA: (0.66%)

#### Gorica Leasing d.o.o.

100% ownership  
Total assets: €90.9 million  
Net loss: (€0.881 million)  
ROAE: (24.39%)  
ROAA: (0.97%)

#### KBM Leasing Hrvatska d.o.o.

100% ownership  
Total assets: €44.3 million  
Net loss: (€0.681 million)  
ROAE: (107.50%)  
ROAA: (1.56%)

#### KBM Fineko d.o.o.

100% ownership  
Total assets: €5.6 million  
Net profit: €0.24 million  
ROAE: 11.45%  
ROAA: 5.12%

#### KBM Invest d.o.o.

100% ownership  
Total assets: €43.6 million  
Net profit: €0.027 million  
ROAE: 0.52%  
ROAA: 0.06%

#### KBM Projekt d.o.o.

76% ownership  
Total assets: €50.2 million  
Net loss: (€9.8 million)  
ROAE: negative equity  
ROAA: (17.81%)

#### M-PAY d.o.o.

50% ownership  
Total assets: €0.172 million  
Net profit: €0.009 million  
ROAE: 5.37%  
ROAA: 5.36%



## 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
<b>Statement of financial position (€000)</b>	<b>31 December</b>	<b>31 December</b>	
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
<b>Statement of income (€000)</b>	<b>1 January to 31 December</b>	<b>1 January to 31 December</b>	
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
<b>Ratios</b>	<b>31 December</b>	<b>31 December</b>	
Net profit per share <sup>1</sup> (€)	0.41	0.40	
Share book value <sup>2</sup> (€)	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

<sup>1</sup> 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.

<sup>2</sup> 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.

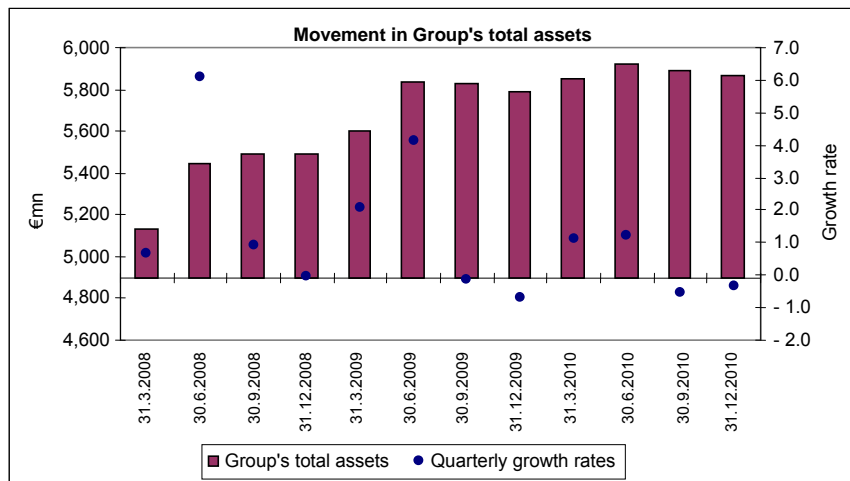
Net profit from continuing operations accounts for 54.1% of the projection for 2010, mainly due to higher impairment losses and provisions which, as a result of deterioration in the loan portfolio, amounted to 170.5% of the projected figure.

**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.

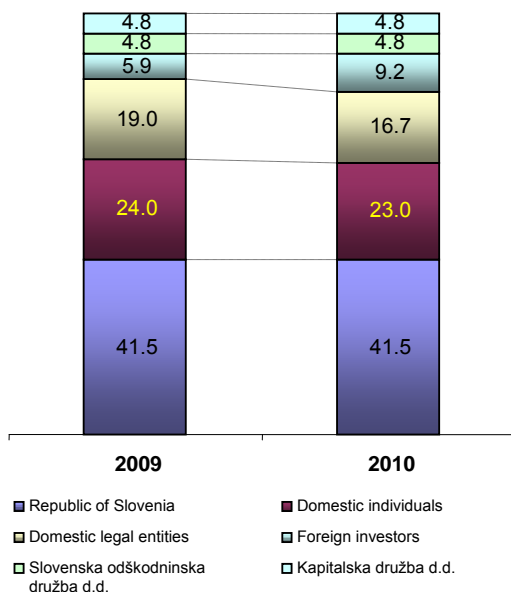
## Information on shares

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 <sup>3</sup>
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 <sup>1</sup> (€)	14.39	14.10	12.80	12.67	15.22	15.04	13.72	14.44
Net earnings per share <sup>2</sup> (€)	0.36	0.47	0.68	1.82	0.41	0.40	0.57	2.23
P/E ratio <sup>3</sup>	28.33	24.34	13.87	23.03	12.34	30.11	16.54	18.79
P/B ratio <sup>4</sup>	0.71	0.81	0.74	3.31	0.61	0.76	0.69	2.90

<sup>1</sup> 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.

<sup>2</sup> 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.

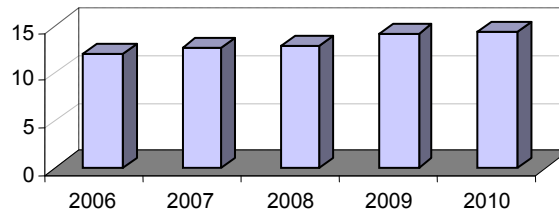
<sup>3</sup> P/E ratio is calculated as the ratio between the share price on the last trading date and the Bank's net profit (for the Group: net profit attributable to owners of the parent) per share.

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

<sup>3</sup> Voting rights equal ownership share.

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

Share book value (€)

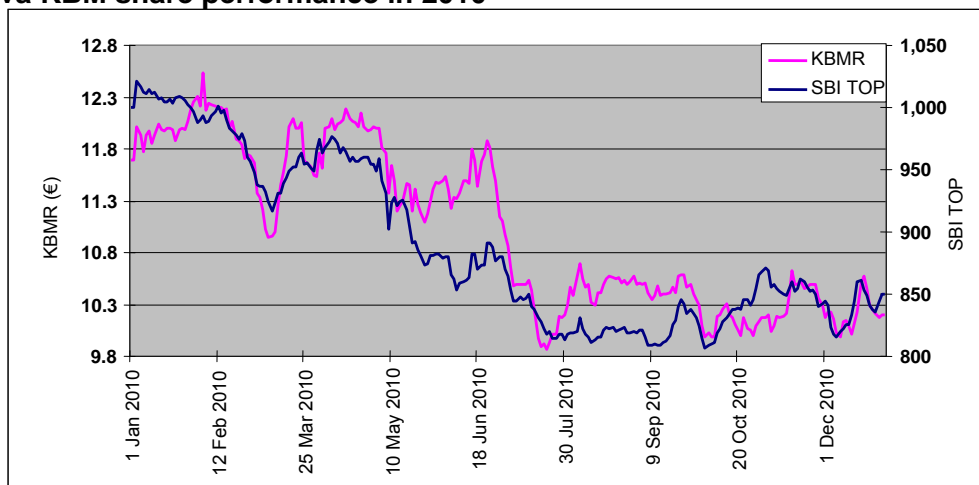


### Share performance

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
<b>Net interest income</b>	<b>147,302</b>	<b>136,489</b>	<b>108</b>
<b>Dividend income</b>	<b>1,731</b>	<b>103</b>	
Fee and commission income	104,059	99,320	105
Fee and commission expense	(40,977)	(39,843)	103
<b>Net fee and commission income</b>	<b>63,082</b>	<b>59,477</b>	<b>106</b>
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
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>18,001</b>	<b>17,604</b>	<b>102</b>
Income tax expense related to profit from continuing operations	(6,588)	(4,718)	140
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>11,413</b>	<b>12,886</b>	<b>89</b>
<b>NET PROFIT FOR THE REPORTING PERIOD</b>	<b>11,413</b>	<b>12,886</b>	<b>89</b>
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
<b>TOTAL ASSETS</b>	<b>5,866,657</b>	<b>5,785,637</b>	<b>101</b>
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
<b>TOTAL LIABILITIES</b>	<b>5,427,668</b>	<b>5,354,363</b>	<b>101</b>
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
<b>SHAREHOLDERS' EQUITY EXCLUDING NON-CONTROLLING INTEREST</b>	<b>396,900</b>	<b>392,365</b>	<b>101</b>
Non-controlling interest	42,089	38,909	108
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>438,989</b>	<b>431,274</b>	<b>102</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,866,657</b>	<b>5,785,637</b>	<b>101</b>

# 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
<b>Net interest income</b>	<b>110,105</b>	<b>106,012</b>	<b>104</b>
<b>Dividend income</b>	<b>5,500</b>	<b>1,860</b>	<b>296</b>
Fee and commission income	52,768	49,535	107
Fee and commission expense	(5,925)	(3,985)	149
<b>Net fee and commission income</b>	<b>46,843</b>	<b>45,550</b>	<b>103</b>
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
<b>PROFIT FROM CONTINUING OPERATIONS</b>	<b>11,365</b>	<b>15,149</b>	<b>75</b>
Income tax expense related to profit from continuing operations	(1,993)	(3,002)	66
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>9,372</b>	<b>12,147</b>	<b>77</b>
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>	<b>9,372</b>	<b>12,147</b>	<b>77</b>

## 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
<b>TOTAL ASSETS</b>	<b>4,806,511</b>	<b>4,789,377</b>	<b>100</b>
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
<b>TOTAL LIABILITIES</b>	<b>4,431,255</b>	<b>4,421,491</b>	<b>100</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>375,256</b>	<b>367,886</b>	<b>102</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,806,511</b>	<b>4,789,377</b>	<b>100</b>

# 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](http://www.ljse.si)), and on the Bank's website ([www.nkbm.si](http://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 <sup>th</sup> 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 <sup>th</sup> regular Shareholders' Meeting of Nova KBM d.d.	Wednesday, 8 June 2011
Decisions adopted at the 20 <sup>th</sup> 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](http://www.nkbm.si)).

Nova KBM d.d.