

**Biser Topco Group**

**Disclosures**

**H1 2018**

**(Under Pillar 3)**

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## 1. Introduction

In accordance with Part 8 of Regulation (EU) No. 575/2013 of the European Parliament and the European Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR), Nova KBM d.d. (hereinafter also „the Bank“ or „Parent bank“) is obliged to disclose essential information that would, if released or misstated, change or affect an assessment or decision of the user using this information to make business decisions. The regulation allows a possibility not to disclose information that has a characteristic of confidential information or business secret.

Nova KBM d.d. is owned by a financial holding company, Biser Bidco S.â.r.l. In accordance with Article 13 of the CRR Regulation, institutions owned by an EU parent financial holding company meet the obligations referred to in Part 8 of the CRR Regulation at their consolidated financial position and, where it is also relevant, at the sub-consolidated position. Consequently, data in the document are disclosed at the Biser Topco Group level, and where relevant, also at the Nova KBM Group level. Disclosures are prepared as at 30 June 2018 by Nova KBM d.d., the largest financial institution in the Biser Topco Group.

Nova KBM (as the parent company of the Nova KBM Group) was privatised in 2016. The process of sale was concluded on 21 April 2016, when the Republic of Slovenia sold its 100-percent equity share to Biser Bidco S.â.r.l, which is 100-percent owned by Biser Topco S.â.r.l. The company Biser Topco S.â.r.l. is a joint venture founded by Apollo holding an 80-percent equity share, and EBRD holding a 20-percent equity share.

Biser Topco S.â.r.l and Biser Bidco S.â.r.l are holding companies established to acquire an equity stake in Nova KBM. d.d. None of the companies perform licensed and commercial activities that would lead to additional exposure to risks. Both companies generate only costs that are appropriate for holding companies. With a purpose to ensure compliance with the legislation, the Bank has incorporated risk management at the Biser Topco Group level into its methodologies, policies and strategies.

The Nova KBM Group is a systemically important institution for the Slovenian market, therefore, data are also disclosed at the Nova KBM Group level where appropriate.

Nova KBM d.d. included the method, frequency and verification of disclosing essential information in its Disclosure Policy.

This document aims at disclosing information under the Pillar 3. In this context, the Bank followed the provisions of the CRR Regulation (575/2013), Directive (EU) No. 2013/36 (hereinafter: the Directive) and the Guidelines on Disclosure Requirements under Part 8 of Regulation as well as other relevant regulation of disclosing information (hereinafter: the Guidelines).

In this document, the Group does not disclose non-relevant disclosures.

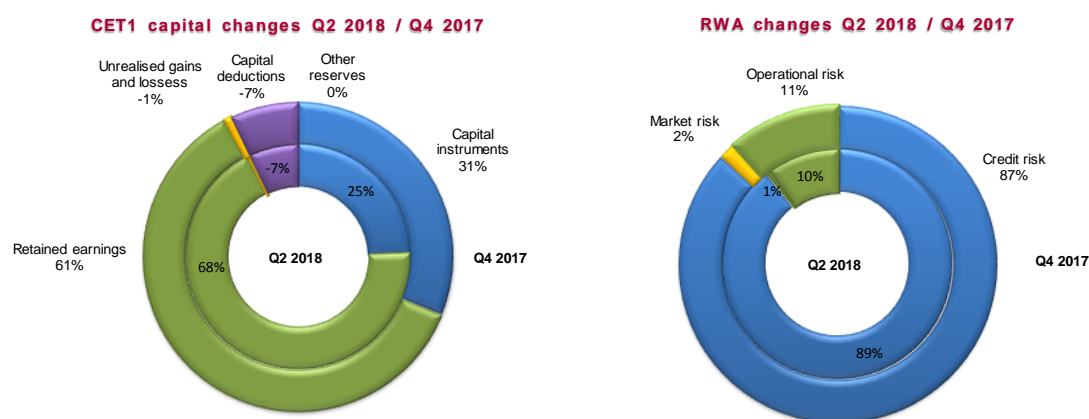
Disclosures of the Group are not audited. In accordance with its Disclosure Policy, the Group has internal controls and procedures in place to ensure the correctness of disclosed information.

## 2. Highlights

**Table 1:** Summary of Biser Topco Group's indicators

|  | €000             |                   |
|--|------------------|-------------------|
|  | <b>30.6.2018</b> | <b>31.12.2017</b> |
| <b>Risk weighted assets (RWA)</b>          | 2.891.091        | 2.818.879         |
| Credit risk                                | 2.581.265        | 2.447.107         |
| Market risk                                | 22.201           | 47.619            |
| Operational risk                           | 287.625          | 324.153           |
| <b>Regulatory capital</b>                  |                  |                   |
| Common Equity Tier 1 capital ratio (CET 1) | 613.980          | 595.001           |
| Additional Tier 1 capital (AT1)            | 613.980          | 595.001           |
| Total regulatory capital                   | 613.980          | 595.001           |
| <b>Capital adequacy ratios</b>             |                  |                   |
| Common Equity Tier 1 capital ratio (CET 1) | 21,24%           | 21,11%            |
| Tier 1 capital ratio (AT1)                 | 21,24%           | 21,11%            |
| Total capital adequacy ratio (CAR)         | 21,24%           | 21,11%            |
| <b>Capital buffers</b>                     | 1,88%            | 1,25%             |
| <b>Leverage ratio</b>                      | 12,07%           | 11,67%            |
| <b>Total assets</b>                        | 4.960.644        | 4.929.068         |
| <b>Shareholder's capital</b>               | 747.409          | 699.434           |

**Figure 1:** Biser Topco Group's CET1 capital and RWA changes Q2 2018 / Q4 2017



### 3. Own Funds

This section defines disclosure requirements referred to in Article 436(1) of Part 8 of CRR and in Commission implementing regulation (EU) No 1423/2013 of 20 December 2013.

#### 3.1 Information about full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 of the Regulation relating to own funds of the institution and the balance sheet in the audited financial statements of the institution

*(Article 437 (1.a) of the Regulation)*

The scope of consolidation and the method used to consolidate the statement of financial position are the same as the scope and the method of consolidation set out in Chapter 2, Part One, Title II of the Regulation.

The Group's regulatory capital is comprised in total out of CET1 capital. The table below shows the difference between the Group's shareholder's capital and regulatory capital as at 30 June 2018. In 2018, the phase – in period for capital deduction ended, which positively affected own funds. In addition, also the implementation of IFRS9 accounting standard caused a positive impact. In June 2018 the net profit of year 2018 of Biser Topco Group was included in CET1 calculation and paid dividend to shareholders from share and share premium capital. There was no impact on CET1 capital or CAR calculation.

**Table 2: Reconciliation of regulatory capital items and the balance sheet capital**

|  | €000                     |                       |
|--|--------------------------|-----------------------|
|  | <b>30.6.2018</b>         |                       |
|  | <b>Biser Topco Group</b> | <b>Nova KBM Group</b> |
| <b>1 Shareholder's equity</b>                    | <b>747.409</b>           | <b>750.587</b>        |
| 2 Share Capital                                  | 2.160                    | 150.000               |
| 3 Share premium                                  | 218.526                  | 403.302               |
| 4 Other capital instruments                      | 714                      | 0                     |
| 5 Revaluation reserves                           | -2.858                   | 25.170                |
| 6 Translation reserves                           | 179                      | 0                     |
| 7 Reserves from profit                           | 271                      | 20.543                |
| 8 Retained earnings/(losses)                     | 491.781                  | 112.503               |
| 9 Net profit/loss for the financial loss         | 33.968                   | 36.401                |
| 10 Non-controlling interest                      | 2.668                    | 2.668                 |
| <b>12 Subordinated liabilities</b>               | <b>0</b>                 | <b>0</b>              |
| <b>13 Adjustments</b>                            | <b>(133.429)</b>         | <b>(135.813)</b>      |
| 14 Share premium                                 | -44.533                  | 0                     |
| 15 Other capital instruments                     | -714                     | 0                     |
| 16 Intangible assets                             | -23.180                  | -23.180               |
| 17 Non-controlling interest                      | -2.668                   | -2.668                |
| 18 Less interim profit for year                  | -33.968                  | -36.401               |
| 19 Less profit of year 2017 without ECB approval | 0                        | -46.089               |
| 20 DTA   | -26.133                  | -25.264               |
| 21 Other deductions                              | -2.233                   | -2.211                |
| <b>22 CET1 capital (1-13)</b>                    | <b>613.980</b>           | <b>614.774</b>        |

### 3.2 Description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution

(Article 437 (1.b) of the Regulation)

Table below presents the data on equity instruments of the Biser Topco Group and the Nova KBM Group.

Capital instruments of Biser Topco Group and Nova KBM Group are comprised of paid-in capital (equities) and share premium (capital reserves). Capital instruments, for which the Group does not have the ECB approval for inclusion, are not included in calculation of own funds – Common Equity Tier 1 capital. As at 30 June 2018 capital instruments of Biser Topco Group in amount of 44,5 mio EUR do not qualify as CET1 capital instruments, mainly due to foreseen shareholder's dividend pay-outs.

**Table 3: Main features of the Group's capital instruments**

| Capital instruments main features template (1) |  |   |                              |
|--|--|---|------------------------------|
| 1  | Issuer   | Biser Topco S.à r.l.  | Nova KBM d.d.                |
| 2  | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)           |   | SI0021116494                 |
| 3  | Governing law(s) of the instruments  | Grand Duchy of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended CRR | ZGD, ZTFI, ZNVP, CRR         |
|  | Regulatory treatment   | CRR   | CRR                          |
| 4  | Transitional CRR rules   | Common equity Tier-1 capital  | Common equity Tier-1 capital |
| 5  | Post transitional CRR rules  | Common equity Tier-1 capital  | Common equity Tier-1 capital |
| 6  | Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated                              | Consolidated  | Solo and sub-consolidated    |
| 7  | Instrument type (to be specified by each jurisdiction)                                       | Common equity Tier-1 capital  | Common equity Tier-1 capital |
| 8  | Amount recognised in the regulatory capital (€million; as of the most recent reporting date) | €176 million  | €553 million                 |
| 9  | Nominal amount of instrument   | Share: €2.0 million<br>Share premium: €174.1 million  | €150 million                 |
| 9a   | Issue price  | Shares: €1 per share;<br>Share premium: €100.85 per share   | €87 per share                |
| 9b   | Redemption price   | N/A   | N/A                          |
| 10   | Accounting classification  | Equity  | Equity                       |
| 11   | Original date of issuance  | 13 April 2016   | 19 December 2013             |
| 12   | Perpetual or dated   | Perpetual   | Perpetual                    |
| 13   | Original date of issuance  | N/A   | N/A                          |
| 14   | Issuer call subject to prior supervisory approval  | N/A   | N/A                          |
| 15   | Optional call date, contingent call dates and redemption amount                              | N/A   | N/A                          |
| 16   | Subsequent call dates, if applicable   | N/A   | N/A                          |
|  | Coupons/dividends  | N/A   | N/A                          |
| 17   | Fixed or floating dividend/coupon  | N/A   | N/A                          |

| Capital instruments main features template (1) |   |      |                      |
|--|---|------|----------------------|
| 18   | Coupon rate and any related index   | N/A  | N/A                  |
| 19   | Existence of a dividend stopper   | N/A  | N/A                  |
| 20a  | Full discretionary, partially discretionary or mandatory (in terms of timing)                                 | N/A  | N/A                  |
| 20b  | Full discretionary, partially discretionary or mandatory (in terms of amount)                                 | N/A  | N/A                  |
| 21   | Existence of step up or other incentive to redeem   | N/A  | N/A                  |
| 22   | Non-cumulative or cumulative  | N/A  | N/A                  |
| 23   | Convertible or non-convertible  | N/A  | N/A                  |
| 24   | If convertible, conversion trigger(s)   | N/A  | N/A                  |
| 25   | If convertible, fully or partially  | N/A  | N/A                  |
| 26   | If convertible, conversion rate   | N/A  | N/A                  |
| 27   | If convertible, mandatory or optional conversion  | N/A  | N/A                  |
| 28   | If convertible, specify instrument type convertible into  | N/A  | N/A                  |
| 29   | If convertible, specify issuer of instrument it converts into   | N/A  | N/A                  |
| 30   | Write-down features   | N/A  | N/A                  |
| 31   | If write-down, write-down trigger(s)  | N/A  | N/A                  |
| 32   | If write-down, full or partial  | N/A  | N/A                  |
| 33   | If write-down, permanent or temporary   | N/A  | N/A                  |
| 34   | If temporary write-down, description of write-up mechanism  | N/A  | N/A                  |
| 35   | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | n.r. | Ordinary liabilities |
| 36   | Non-compliant transitioned features   | N/A  | N/A                  |
| 37   | If yes, specify non-compliant features  | N/A  | N/A                  |

### 3.3 Description of the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments

*(Article 437 (1.c) of the Regulation)*

With respect to their characteristics, own funds consist of two categories:

- Tier 1 capital, which comprises:
  - Common equity Tier-1 capital
  - Additional Tier-1 capital
- Tier 2 capital.

Common Equity Tier 1 capital comprises:

- capital instruments (paid-in and share premium),
- retained earnings,
- accumulated other comprehensive income,
- other reserves,
- value adjustments due to the requirements for prudent valuation,



- requirements for prudential valuation,
- deductions:
  - intangible fixed assets
  - deferred tax assets
  - net loss in P&L account
- and other adjustments to Common Equity Tier 1 capital.

All of **capital instruments** of Nova KBM Group are eligible for inclusion in CET1 capital calculation. Capital instruments of Biser Topco Group to be pay out or do not have ECB's approval are not eligible for inclusion in CET1 capital calculation.

**Interim net profit of the year 2018** is not included in calculation of CET1 capital at any reporting level, **2017 year end profit** is included in calculation of CET1 capital only on highest consolidation level.

Groups do not have any additional Tier-1 and Tier-2 instruments.

### 3.4 Separate disclosure of the nature and amounts of filters and deductions

*(Article 437 (1.d) of the Regulation)*

In Q1 2018, the Group is disclosing the amount of regulatory capital as at 31 March 2018, and regulatory capital items for which transitional periods apply in accordance with CRR and other regulations. The group is disclosing the following:

- (i) Prudential filters used in accordance with Articles 32 to 35;
- (ii) Deductions in accordance with Articles 36, 56 and 66;
- (iii) Non-deducted items in accordance with Articles 47, 48, 56, 66 and 79;

**Table 4: Biser Topco Group's regulatory capital nature and amounts**

€000

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)                  | (B)   |
|--|---|----------------------|---|
|  |   | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference |
| 1  | Capital instruments and the related share premium accounts  | 176.153              | 26(1), 27, 28, 29,<br>26(3), EBA list               |
|  | Of which: Paid-in capital instruments   | 2.008                | 26(3), EBA list                                     |
|  | Of which: Paid-in capital surplus   | 174.144              | 26(3), EBA list                                     |
| 2  | Retained earnings   | 491.781              | 26(1)c  |
| 3  | Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards) | -2.444               | 26/1  |
| 3a   | Funds for general banking risk  |                      | 26(1)(f)  |
| 4  | Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1                |                      | 286(2)  |
|  | Public sector capital injections grandfathered until 1 January 2018   |                      | 283(2)  |
| 5  | Minority interests (amount allowed in consolidated CET1)  |                      | 84, 479, 480  |
| 5a   | Independently reviewed interim profits net of any foreseeable charge or dividend  | 0                    | 26(2)   |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)<br>Amount<br>30/06/2018 | (B)<br>Regulation (EU) No<br>575/2013 Article<br>reference     |
|--|---|-----------------------------|--|
| 6  | Common Equity Tier-1 (CET-1) capital before regulatory adjustments  | 665.490                     | Sum of row 1 – 5a  |
| 7  | Additional value adjustments (negative amount)  | -2.196                      | 34, 105  |
| 8  | Intangible assets (net of related tax liability) (negative amount)  | -27.158                     | 36(1)(b), 37, 472(4)   |
| 9  | Empty Set in the EU   |                             |  |
| 10   | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)   | -26.077                     | 36(1)(c), 38, 472(5)   |
| 11   | Fair value reserves related to gains or losses on cash flow hedges  |                             | 33(a)  |
| 12   | Negative amounts resulting from the calculation of expected loss amounts  |                             | 36(1)(d), 40, 159, 472(6)                                      |
| 13   | Any increase in equity that results from securitised assets (negative amount)   |                             | 32(1)  |
| 14   | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing   |                             | 33(b)  |
| 15   | Defined-benefit pension fund assets (negative amount)   |                             | 36(1)(e), 41, 472(7)   |
| 16   | Direct and indirect holdings by an institution of own CET1 instruments (negative amount)  |                             | 36(1)(f), 42, 472(8)   |
| 17   | Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)  |                             | 36(1)(g), 44, 472(9)   |
| 18   | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount) |                             | 36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)              |
| 19   | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)    |                             | 36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11) |
| 20   | Empty Set in the EU   |                             |  |
| 20a  | Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative   |                             | 36(1)(k)   |
| 20b  | Of which: qualifying holdings outside the financial sector (negative amount)  |                             | 36(1)(k)(i), 89 to 91  |
| 20c  | Of which: securitisation positions (negative amount)  |                             | 36(1)(k)(ii), 243(1)(b), 244(1)(b), 258                        |
| 20d  | Of which: free deliveries (negative amount)   |                             | 36(1)(k)(iii), 379(3)  |
| 21   | Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)  |                             | 36(1)(c), 38, 48(1)(a), 470, 472(5)                            |
| 22   | Amount exceeding the 15 % threshold (negative amount)   |                             | 48(1)  |
| 23   | Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities   |                             | 36(1)(ii), 48(1)(b), 470, 472(11)                              |
| 24   | Empty Set in the EU   |                             |  |
| 25   | Of which: deferred tax assets arising from temporary differences  |                             | 36(1)(c), 38, 48(1)(a), 470, 472(5)                            |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |  | (A)                  | (B)   |
|--|--|----------------------|---|
|  |  | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference                       |
| 25a  | Losses for the current financial year (negative amount)  | 0                    | 36(1)(a), 472(3)  |
| 25b  | Foreseeable tax charges relating to CET1 items (negative amount)   |                      | 36(1)(l)  |
| 26   | Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment  |                      |   |
| 26a  | Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468  |                      |   |
|  | Of which: ... filter for unrealised loss 1   |                      | 467   |
|  | Of which: ... filter for unrealised loss 2   |                      | 467   |
|  | Of which: ... filter for unrealised gain 1   |                      | 468   |
|  | Of which: ... filter for unrealised gain 2   |                      | 468   |
| 26b  | Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR  | 0                    | 481   |
|  | Of which: ...  |                      | 481   |
| 27   | Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)   |                      | 36(1)(j)  |
| 28   | <b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>   | -51.509              |   |
| 29   | <b>Common equity Tier-1 capital</b>  | 613.980              |   |
| 30   | Capital instruments and the related share premium accounts   |                      | 51, 52  |
| 31   | Of which: classified as equity under applicable accounting standards   |                      |   |
| 32   | Of which: classified as liabilities under applicable accounting standards  |                      |   |
| 33   | Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1  |                      | 486(3)  |
|  | Public sector capital injections grandfathered until 1 January 2018  |                      | 483(3)  |
| 34   | Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties   |                      | 85, 86, 480   |
| 35   | Of which: instruments issued by subsidiaries subject to phase-out  |                      | 486(3)  |
| 36   | <b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>   | 0                    |   |
| 37   | Direct and indirect holdings by an institution of own AT1 instruments (negative amount)  |                      | 52(1)(b), 56(a), 57, 475(2)   |
| 38   | Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)                                    |                      | 56(b), 58, 475(3)   |
| 39   | Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)      |                      | 56(c), 59, 60, 79, 475(4)   |
| 40   | Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount) |                      | 56(d), 59, 79, 475(4)   |
| 41   | Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)                                   |                      |   |
| 41a  | Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013  |                      | 472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a) |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)<br>Amount<br>30/06/2018 | (B)<br>Regulation (EU) No<br>575/2013 Article<br>reference |
|--|---|-----------------------------|--|
|  | Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.   |                             |  |
| 41b  | Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013   |                             | 477, 477(3), 477(4)(a)                                     |
|  | Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.   |                             |  |
| 41c  | Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR  |                             | 467, 468, 481  |
|  | Of which: ...possible filter for unrealised losses  |                             | 467  |
|  | Of which: ...possible filter for unrealised gains   |                             | 468  |
|  | Of which: ...   |                             | 481  |
| 42   | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)  |                             | 56(e)  |
| 43   | <b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>  | 0                           |  |
| 44   | <b>Additional Tier 1 (AT1) capital</b>  | 0                           |  |
| 45   | <b>Tier 1 capital (T1 = CET1 + AT1)</b>   | 613.980                     | Sum of rows 29 – 44  |
| 46   | Capital instruments and the related share premium accounts  |                             | 62, 63   |
| 47   | Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2  |                             | 486(4)   |
|  | Public sector capital injections grandfathered until 1 January 2018   |                             | 483(4)   |
| 48   | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties   |                             | 87, 88, 480  |
| 49   | Of which: instruments issued by subsidiaries subject to phase-out   |                             | 486(4)   |
| 50   | Credit risk adjustments   |                             | 62(c) and (d)  |
| 51   | <b>Tier 2 (T2) capital before regulatory adjustments</b>  | 0                           |  |
| 52   | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)   |                             | 63(d)(i), 66(a), 67, 477(2)                                |
| 53   | Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)                           |                             | 66(b), 68, 477(3)  |
| 54   | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount) |                             | 66(c), 69, 70, 79, 477(4)                                  |
| 54a  | Of which new holdings not subject to transitional arrangements  |                             |  |
| 54b  | Of which holdings existing before 1 January 2013 and subject to transitional arrangements   |                             |  |
| 55   | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)                        |                             | 66(d), 69, 79, 477(4)                                      |
| 56   | Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)  |                             |  |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)                  | (B)   |
|--|---|----------------------|---|
|  |   | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference                       |
| 56a  | Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013  |                      | 472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a) |
|  | Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.   |                      |   |
| 56b  | Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013   |                      | 475, 475(2)(a), 475(3), 475(4)(a)   |
|  | Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.  |                      |   |
| 56c  | Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR   |                      | 467, 468, 481   |
|  | Of which: ...possible filter for unrealised losses  |                      | 467   |
|  | Of which: ...possible filter for unrealised gains   |                      | 468   |
|  | Of which: ...   |                      | 481   |
| 57   | <b>Total regulatory adjustments to Tier 2 (T2) capital</b>  | 0                    |   |
| 58   | <b>Tier 2 (T2) capital</b>  | 0                    |   |
| 59   | <b>Total capital (TC = T1 + T2)</b>   | 613.980              |   |
| 59a  | Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)  |                      |   |
|  | Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)<br>(items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)  |                      | 472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)                            |
|  | Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts)<br>(items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.) |                      | 475, 475(2)(b), 475(2)(c), 475(4)(b)                                      |
|  | Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts)<br>(items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)                |                      | 477, 477(2)(b), 477(2)(c), 477(4)(b)                                      |
| 60   | <b>Total risk weighted assets</b>   | 2.891.091            |   |
| 61   | <b>CET1 (as a percentage of risk exposure amount)</b>   | 21,24%               | 92(2)(a), 465   |
| 62   | <b>T1 (as a percentage of risk exposure amount)</b>   | 21,24%               | 92(2)(b), 465   |
| 63   | <b>Total capital (as a percentage of risk exposure amount)</b>  | 21,24%               | 92(2)(c)  |
| 64   | Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)  | 54.208               | 128, 129 and 130, (CRD)   |
| 65   | Of which: capital conservation buffer requirement   | 54.208               |   |
| 66   | Of which: countercyclical buffer requirement  | 0                    |   |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)                  | (B)   |
|--|---|----------------------|---|
|  |   | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference |
| 67   | Of which: systemic risk buffer requirement  | 0                    |   |
| 67a  | Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer  | 0                    | 131 (CRD)   |
| 68   | CET1 available to meet buffers (as a percentage of risk exposure amount)  | 613.980              | 128 (CRD)   |
| 69   | [not relevant in EU regulation]   |                      |   |
| 70   | [not relevant in EU regulation]   |                      |   |
| 71   | [not relevant in EU regulation]   |                      |   |
| 72   | Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)                   | 104                  | 36(1)(h), 45, 46, 472(10)                           |
|  |   |                      | 56(c), 59, 60, 475(4)                               |
|  |   |                      | 66(c), 69, 70, 477(4)                               |
| 73   | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions) | 2.378                | 36(1)(i), 45, 48, 470, 472(11)                      |
| 74   | Empty Set in the EU   |                      |   |
| 75   | Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)  | -5.621               | 36(1)(c), 38, 48, 470, 472(5)                       |
| 76   | Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)   |                      | 62  |
| 77   | Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach   |                      | 62  |
| 78   | Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)   |                      | 62  |
| 79   | Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach  |                      | 62  |
| 80   | Current cap on CET1 instruments subject to phase-out arrangements   |                      | 484(3), 486(2) and (58)                             |
| 81   | Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)   |                      | 484(3), 486(2) and (58)                             |
| 82   | Current cap on AT1 instruments subject to phase-out arrangements  |                      | 484(3), 486(2) and (58)                             |
| 83   | Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)  |                      | 484(3), 486(2) and (58)                             |
| 84   | Current cap on T2 instruments subject to phase-out arrangements   |                      | 484(3), 486(2) and (58)                             |
| 85   | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)   |                      | 484(3), 486(2) and (58)                             |

**Table 5: Nova KBM Group's regulatory capital nature and amounts**

€000

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)<br>Amount<br>30/06/2018 | (B)<br>Regulation (EU) No<br>575/2013 Article<br>reference     |
|--|---|-----------------------------|--|
| 1  | Capital instruments and the related share premium accounts  | 553,302                     | 26(1), 27, 28, 29, 26(3), EBA list                             |
|  | Of which: Paid-in capital instruments   | 150,000                     | 26(3), EBA list  |
|  | Of which: Paid-in capital surplus   | 403,302                     | 26(3), EBA list  |
| 2  | Retained earnings   | 66,414                      | 26(1)c   |
| 3  | Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)   | 45.697                      | 26/1   |
| 3a   | Funds for general banking risk  |                             | 26(1)(f)   |
| 4  | Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1  |                             | 286(2)   |
|  | Public sector capital injections grandfathered until 1 January 2018   |                             | 283(2)   |
| 5  | Minority interests (amount allowed in consolidated CET1)  |                             | 84, 479, 480   |
| 5a   | Independently reviewed interim profits net of any foreseeable charge or dividend  | 0                           | 26(2)  |
| 6  | Common Equity Tier-1 (CET-1) capital: regulatory adjustments  | 665.412                     | Sum of row 1 – 5a  |
| 7  | Additional value adjustments (negative amount)  | -2.195                      | 34, 105  |
| 8  | Intangible assets (net of related tax liability) (negative amount)  | -23.180                     | 36(1)(b), 37, 472(4)   |
| 9  | Empty Set in the EU   |                             |  |
| 10   | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)   | -25.264                     | 36(1)(c), 38, 472(5)   |
| 11   | Fair value reserves related to gains or losses on cash flow hedges  |                             | 33(a)  |
| 12   | Negative amounts resulting from the calculation of expected loss amounts  |                             | 36(1)(d), 40, 159, 472(6)                                      |
| 13   | Any increase in equity that results from securitised assets (negative amount)   |                             | 32(1)  |
| 14   | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing   |                             | 33(b)  |
| 15   | Defined-benefit pension fund assets (negative amount)   |                             | 36(1)(e), 41, 472(7)   |
| 16   | Direct and indirect holdings by an institution of own CET1 instruments (negative amount)  |                             | 36(1)(f), 42, 472(8)   |
| 17   | Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)  |                             | 36(1)(g), 44, 472(9)   |
| 18   | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount) |                             | 36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)              |
| 19   | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)    |                             | 36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11) |
| 20   | Empty Set in the EU   |                             |  |
| 20a  | Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative   |                             | 36(1)(k)   |



| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)                  | (B)   |
|--|---|----------------------|---|
|  |   | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference |
| 20b  | Of which: qualifying holdings outside the financial sector (negative amount)  |                      | 36(1)(k)(i), 89 to 91                               |
| 20c  | Of which: securitisation positions (negative amount)  |                      | 36(1)(k)(ii), 243(1)(b), 244(1)(b), 258             |
| 20d  | Of which: free deliveries (negative amount)   |                      | 36(1)(k)(iii), 379(3)                               |
| 21   | Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)  |                      | 36(1)(c), 38,48(1)(a), 470, 472(5)                  |
| 22   | Amount exceeding the 15 % threshold (negative amount)   |                      | 48(1)   |
| 23   | Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities |                      | 36(1)(ii), 48(1)(b), 470, 472(11)                   |
| 24   | Empty Set in the EU   |                      |   |
| 25   | Of which: deferred tax assets arising from temporary differences  |                      | 36(1)(c), 38, 48(1)(a), 470, 472(5)                 |
| 25a  | Losses for the current financial year (negative amount)   | 0                    | 36(1)(a), 472(3)                                    |
| 25b  | Foreseeable tax charges relating to CET1 items (negative amount)  |                      | 36(1)(l)  |
| 26   | Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment   |                      |   |
| 26a  | Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468   |                      |   |
|  | Of which: ... filter for unrealised loss 1  |                      | 467   |
|  | Of which: ... filter for unrealised loss 2  |                      | 467   |
|  | Of which: ... filter for unrealised gain 1  |                      | 468   |
|  | Of which: ... filter for unrealised gain 2  |                      | 468   |
| 26b  | Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR   | 0                    | 481   |
|  | Of which: ...   |                      | 481   |
| 27   | Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)  |                      | 36(1)(j)  |
| 28   | <b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>  | -50.639              |   |
| 29   | <b>Common equity Tier-1 capital</b>   | 614.774              |   |
| 30   | Capital instruments and the related share premium accounts  |                      | 51, 52  |
| 31   | Of which: classified as equity under applicable accounting standards  |                      |   |
| 32   | Of which: classified as liabilities under applicable accounting standards   |                      |   |
| 33   | Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1   |                      | 486(3)  |
|  | Public sector capital injections grandfathered until 1 January 2018   |                      | 483(3)  |
| 34   | Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties                    |                      | 85, 86, 480   |
| 35   | Of which: instruments issued by subsidiaries subject to phase-out   |                      | 486(3)  |
| 36   | <b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>  | 0                    |   |
| 37   | Direct and indirect holdings by an institution of own AT1 instruments (negative amount)   |                      | 52(1)(b), 56(a), 57, 475(2)                         |



| Common Equity Tier-1 (CET-1) capital: instruments and reserves |  | (A)                  | (B)   |
|--|--|----------------------|---|
|  |  | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference                       |
| 38   | Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)                                    |                      | 56(b), 58, 475(3)   |
| 39   | Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)      |                      | 56(c), 59, 60, 79, 475(4)   |
| 40   | Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount) |                      | 56(d), 59, 79, 475(4)   |
| 41   | Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)                                   |                      |   |
| 41a  | Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013  |                      | 472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a) |
|  | Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.  |                      |   |
| 41b  | Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013  |                      | 477, 477(3), 477(4)(a)  |
|  | Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.  |                      |   |
| 41c  | Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR   |                      | 467, 468, 481   |
|  | Of which: ...possible filter for unrealised losses   |                      | 467   |
|  | Of which: ...possible filter for unrealised gains  |                      | 468   |
|  | Of which: ...  |                      | 481   |
| 42   | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)   |                      | 56(e)   |
| 43   | <b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>   | 0                    |   |
| 44   | <b>Additional Tier 1 (AT1) capital</b>   | 0                    |   |
| 45   | <b>Tier 1 capital (T1 = CET1 + AT1)</b>  | 614.774              | Sum of rows 29 – 44   |
| 46   | Capital instruments and the related share premium accounts   |                      | 62, 63  |
| 47   | Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2   |                      | 486(4)  |
|  | Public sector capital injections grandfathered until 1 January 2018  |                      | 483(4)  |
| 48   | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties  |                      | 87, 88, 480   |
| 49   | Of which: instruments issued by subsidiaries subject to phase-out  |                      | 486(4)  |
| 50   | Credit risk adjustments  |                      | 62(c) and (d)   |
| 51   | <b>Tier 2 (T2) capital before regulatory adjustments</b>   | 0                    |   |
| 52   | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)  |                      | 63(d)(i), 66(a), 67, 477(2)   |
| 53   | Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)              |                      | 66(b), 68, 477(3)   |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)<br>Amount<br>30/06/2018 | (B)<br>Regulation (EU) No<br>575/2013 Article<br>reference                |
|--|---|-----------------------------|---|
| 54   | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)                   |                             | 66(c), 69, 70, 79, 477(4)   |
| 54a  | Of which new holdings not subject to transitional arrangements  |                             |   |
| 54b  | Of which holdings existing before 1 January 2013 and subject to transitional arrangements   |                             |   |
| 55   | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)  |                             | 66(d), 69, 79, 477(4)   |
| 56   | Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)  |                             |   |
| 56a  | Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013  |                             | 472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a) |
|  | Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.   |                             |   |
| 56b  | Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013   |                             | 475, 475(2)(a), 475(3), 475(4)(a)   |
|  | Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.  |                             |   |
| 56c  | Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR   |                             | 467, 468, 481   |
|  | Of which: ...possible filter for unrealised losses  |                             | 467   |
|  | Of which: ...possible filter for unrealised gains   |                             | 468   |
|  | Of which: ...   |                             | 481   |
| 57   | <b>Total regulatory adjustments to Tier 2 (T2) capital</b>  | 0                           |   |
| 58   | <b>Tier 2 (T2) capital</b>  | 0                           |   |
| 59   | <b>Total capital (TC = T1 + T2)</b>   | 614.774                     |   |
| 59a  | Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)  |                             |   |
|  | Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts)   |                             |   |
|  | (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)   |                             | 472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)                            |
|  | Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts)  |                             |   |
|  | (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.) |                             | 475, 475(2)(b), 475(2)(c), 475(4)(b)                                      |
|  | Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts)  |                             | 477, 477(2)(b), 477(2)(c), 477(4)(b)                                      |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |  | (A)                  | (B)   |
|--|--|----------------------|---|
|  |  | Amount<br>30/06/2018 | Regulation (EU) No<br>575/2013 Article<br>reference                         |
|  | Items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)                                  |                      |   |
| 60   | <b>Total risk weighted assets</b>  | 2.920.625            |   |
| 61   | CET1 (as a percentage of risk exposure amount)   | 21,05%               | 92(2)(a), 465   |
| 62   | T1 (as a percentage of risk exposure amount)   | 21,05%               | 92(2)(b), 465   |
| 63   | Total capital (as a percentage of risk exposure amount)  | 21,05%               | 92(2)(c)  |
| 64   | Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount) | 54.762               | 128, 129 and 130, (CRD)   |
| 65   | Of which: capital conservation buffer requirement  | 54.762               |   |
| 66   | Of which: countercyclical buffer requirement   | 0                    |   |
| 67   | Of which: systemic risk buffer requirement   | 0                    |   |
| 67a  | Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer   | 0                    | 131 (CRD)   |
| 68   | CET1 available to meet buffers (as a percentage of risk exposure amount)   | 614.774              | 128 (CRD)   |
| 69   | [not relevant in EU regulation]  |                      |   |
| 70   | [not relevant in EU regulation]  |                      |   |
| 71   | [not relevant in EU regulation]  |                      |   |
| 72   | Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)  | 104                  | 36(1)(h), 45, 46, 472(10)<br>56(c), 59, 60, 475(4)<br>66(c), 69, 70, 477(4) |
| 73   | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)  | 2,378                | 36(1)(i), 45, 48, 470, 472(11)  |
| 74   | Empty Set in the EU  |                      |   |
| 75   | Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)   | -5,621               | 36(1)(c), 38, 48, 470, 472(5)   |
| 76   | Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)  |                      | 62  |
| 77   | Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach  |                      | 62  |
| 78   | Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)  |                      | 62  |
| 79   | Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach   |                      | 62  |
| 80   | Current cap on CET1 instruments subject to phase-out arrangements  |                      | 484(3), 486(2) and (58)   |
| 81   | Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)  |                      | 484(3), 486(2) and (58)   |
| 82   | Current cap on AT1 instruments subject to phase-out arrangements   |                      | 484(3), 486(2) and (58)   |
| 83   | Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)   |                      | 484(3), 486(2) and (58)   |

| Common Equity Tier-1 (CET-1) capital: instruments and reserves |   | (A)<br>Amount<br>30/06/2018 | (B)<br>Regulation (EU) No<br>575/2013 Article<br>reference |
|--|---|-----------------------------|--|
| 84   | Current cap on T2 instruments subject to phase-out arrangements                       |                             | 484(3), 486(2) and (58)                                    |
| 85   | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) |                             | 484(3), 486(2) and (58)                                    |

### **3.5 Description of all restrictions applied to the calculation of own funds in accordance with the Regulation, and the instruments, prudential filters and deductions to which those restrictions apply**

*(Article 437 (1.e) of the Regulation)*

Data are presented in Table in section 3.1.

### **3.6 Comprehensive explanation of the basis on which the institution calculates its capital ratios, if the disclosed capital ratios are calculated using elements of own funds determined on the basis other than that laid down in the Regulation**

*(Article 437 (1.f) of the Regulation)*

This disclosure is not applicable for the Group.

## 4. Capital requirements

*(Article 438 c, e and f and 445 of CRR)*

This section defines disclosure requirements referred to in Article 438 of Part 8 of CRR. Where necessary, the disclosures comply with data disclosure requirements indicated in section „4.6 Capital Requirements“ of the Guidelines.

The Group uses Standardised Approach to calculate its capital requirements for credit and market risks, while the Basic Indicator Approach is used to calculate capital requirements for operational risk.

The Group discloses the amounts according to the provisions of Chapter 46, paragraph 69 of the Guidelines. As at the date of reporting, risk weighted assets exceed the respective amount for the previous period by €72 million. The change in risk-weighted exposure at the reporting date of 30 June 2018 compared to 31 December 2017 is primarily associated with:

- Implementation of regulatory changes and business decisions of the Bank associated with implementation of IFRS 9 accounting standard,
- Implementation of regulatory changes associated to end of phase-in period of 112(4) Article of Regulation CRR connected to implementation of country risk in category of exposures to central governments and central banks,
- Implementation of regulatory changes associated to end of phase-in period for capital deductions (i.e. differed tax assets, OCI's),
- Realization of Group's investment strategy,
- Management of default exposure portfolio,
- Movements in value adjustments of investments.

The table below shows the detailed composition of the capital requirements of the Groups at the end of 2017 and 30.6.2018.

### Template 1: EU OV1 – Overview of RWA's of the Biser Topco Group

€000

|   |           |  | RWAs             |                  | Minimum capital requirements |
|---|-----------|--|------------------|------------------|------------------------------|
|   |           |  | 30/6/2018        | 31/12/2017       | 30/6/2018                    |
|   | <b>1</b>  | <b>Credit risk (excluding counterparty credit risk – CCR)</b>                                    | <b>2,580,094</b> | <b>2,445,813</b> | <b>206,407</b>               |
| Article 438(c)(d)                         | 2         | Of which the standardised approach   | 2,580,094        | 2,445,813        | 206,407                      |
| Article 438(c)(d)                         | 3         | Of which the foundation IRB (FIRB) approach  | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 4         | Of which the advanced IRB (AIRB) approach  | 0                | 0                | 0                            |
| Article 438(d)                            | 5         | Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA) | 0                | 0                | 0                            |
| Article 107, Article 438(c)(d)            | <b>6</b>  | <b>CCR</b>   | <b>1,188</b>     | <b>1,318</b>     | <b>95</b>                    |
| Article 438(c)(d)                         | 7         | Of which mark to market  | 1,172            | 1,294            | 94                           |
| Article 438(c)(d)                         | 8         | Of which original exposure   | 0                | 0                | 0                            |
|   | 9         | Of which the standardised approach   | 0                | 0                | 0                            |
|   | 10        | Of which internal model method (IMM)   | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 11        | Of which risk exposure amount for contributions to the default fund of a CCP                     | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 12        | Of which credit value adjustment (CVA)   | 16               | 24               | 1                            |
| 438(e)                                    | <b>13</b> | <b>Settlement risk</b>   | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
| Article 449(o)(i)                         | <b>14</b> | <b>Securitisation exposures in the banking book (after the cap)</b>                              | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
|   | 15        | Of which IRB approach  | 0                | 0                | 0                            |
|   | 16        | Of which IRB supervisory formula approach (SFA)  | 0                | 0                | 0                            |
|   | 17        | Of which internal assessment approach (IAA)  | 0                | 0                | 0                            |
|   | 18        | Of which the standardised approach   | 0                | 0                | 0                            |
| Article 438(e)                            | <b>19</b> | <b>Market risks</b>  | <b>22,185</b>    | <b>47,594</b>    | <b>1,775</b>                 |
|   | 20        | Of which the standardised approach   | 22,185           | 47,594           | 1,775                        |
|   | 21        | Of which IMA   | 0                | 0                | 0                            |
| Article 438(e)                            | <b>22</b> | <b>Large exposures</b>   |                  |                  |                              |
| Article 438(f)                            | <b>23</b> | <b>Operational risk</b>  | <b>287,625</b>   | <b>324,153</b>   | <b>23,010</b>                |
|   | 24        | Of which basic indicator approach  | 287,625          | 324,153          | 23,010                       |
|   | 25        | Of which the standardised approach   | 0                | 0                | 0                            |
|   | 26        | Of which advanced measurement approach   | 0                | 0                | 0                            |
| Article 437(2), Article 48 and Article 60 | <b>27</b> | <b>Amounts below the thresholds for deduction (subject to 250 % risk weight)</b>                 | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
| Article 500                               | <b>28</b> | <b>Floor adjustment</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
|   | <b>29</b> | <b>Total</b>   | <b>2,891,091</b> | <b>2,818,878</b> | <b>231,287</b>               |

## Template 2: EU OV1 – Overview of RWAs of the Nova KBM Group

€000

|   |           |  | RWAs             |                  | Minimum capital requirements |
|---|-----------|--|------------------|------------------|------------------------------|
|   |           |  | 30/6/2018        | 31/12/2017       | 30/6/2018                    |
|   | <b>1</b>  | <b>Credit risk (excluding counterparty credit risk – CCR)</b>                                    | <b>2,576,775</b> | <b>2,442,750</b> | <b>206,142</b>               |
| Article 438(c)(d)                         | 2         | Of which the standardised approach   | 2,576,775        | 2,442,750        | 206,142                      |
| Article 438(c)(d)                         | 3         | Of which the foundation IRB (FIRB) approach  | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 4         | Of which the advanced IRB (AIRB) approach  | 0                | 0                | 0                            |
| Article 438(d)                            | 5         | Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA) | 0                | 0                | 0                            |
| Article 107, Article 438(c)(d)            | <b>6</b>  | <b>CCR</b>   | <b>1,188</b>     | <b>1,318</b>     | <b>95</b>                    |
| Article 438(c)(d)                         | 7         | Of which mark to market  | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 8         | Of which original exposure   | 0                | 0                | 0                            |
|   | 9         | Of which the standardised approach   | 1,172            | 1,294            | 94                           |
|   | 10        | Of which internal model method (IMM)   | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 11        | Of which risk exposure amount for contributions to the default fund of a CCP                     | 0                | 0                | 0                            |
| Article 438(c)(d)                         | 12        | Of which credit value adjustment (CVA)   | 16               | 24               | 1                            |
| Article 438(e)                            | <b>13</b> | <b>Settlement risk</b>   | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
| Article 449(o)(i)                         | <b>14</b> | <b>Securitisation exposures in the banking book (after the cap)</b>                              | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
|   | 15        | Of which IRB approach  | 0                | 0                | 0                            |
|   | 16        | Of which IRB supervisory formula approach (SFA)  | 0                | 0                | 0                            |
|   | 17        | Of which internal assessment approach (IAA)  | 0                | 0                | 0                            |
|   | 18        | Of which the standardised approach   | 0                | 0                | 0                            |
| Article 438(e)                            | <b>19</b> | <b>Market risks</b>  | <b>22,185</b>    | <b>47,594</b>    | <b>1,775</b>                 |
|   | 20        | Of which the standardised approach   | 22,185           | 47,594           | 1,775                        |
|   | 21        | Of which IMA   | 0                | 0                | 0                            |
| Article 438(e)                            | <b>22</b> | <b>Large exposures</b>   |                  |                  |                              |
| Article 438(f)                            | <b>23</b> | <b>Operational risk</b>  | <b>320,477</b>   | <b>356,382</b>   | <b>25,638</b>                |
|   | 24        | Of which basic indicator approach  | 320,477          | 356,382          | 25,638                       |
|   | 25        | Of which the standardised approach   | 0                | 0                | 0                            |
|   | 26        | Of which advanced measurement approach   | 0                | 0                | 0                            |
| Article 437(2), Article 48 and Article 60 | <b>27</b> | <b>Amounts below the thresholds for deduction (subject to 250 % risk weight)</b>                 | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
| Article 500                               | <b>28</b> | <b>Floor adjustment</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>                     |
|   | <b>29</b> | <b>Total</b>   | <b>2,920,625</b> | <b>2,848,043</b> | <b>233,650</b>               |

## 4.1 General information on Credit risk RWA

### 4.1.1 Information regarding 8 % of the risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 3 for each of the exposure classes specified in Article 112 of the Regulation

*(Article 438 (c) to (f) of the Regulation)*

Both groups have the same portfolio of capital investments, since the Biser Topco Group has no authorisations or licences to carry out any activity. As at 30 June 2018, the two Groups have a significant equity investment in the insurance company Skupina prva zavarovalnica not deducted from regulatory capital. For this investment, the Group calculates risk-weighted exposure for credit risk. The investment is classified in equity exposures and assigned the risk weight of 250%.

#### Template 3: EU INS1 – Non-deducted participations in insurance undertakings

|   | €000       |
|---|------------|
|   | Values     |
| Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting) | <b>104</b> |
| <b>Total RWAs</b>   | 260        |

### 4.1.2 Information regarding 8 % of the risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 3 for each of the exposure classes specified in Article 147 of the Regulation

*(Article 438 (d) of the Regulation)*

This disclosure does not apply to the Group, because it does not use the IRB approach in calculating capital requirements for credit risk.

### 4.1.3 Disclosure of the exposures assigned to each category in Table 1 of Article 153(5), or to each risk weight mentioned in Article 155(2) of the Regulation, if the institution calculates the risk-weighted exposure amounts in accordance with Article 153(5) or Article 155(2)

*(Article 438 of the Regulation)*

This disclosure does not apply to the Group, because it does not use the IRB approach in calculating capital requirements for credit risk.



## 4.2 General information on Market risk RWA

(Article 445 of the Regulation)

This section defines disclosure requirements referred to in Article 445 of Part 8 of CRR and the Chapter 4.13 of the Guidelines.

The Group uses the standardised approach to calculate the capital requirements for market risk and therefore does not use any VaR models. Under market risk, the Group calculates capital requirements for the following items:

- Interest rate risk (general). Under interest rate risk, the Group calculates capital requirements for derivatives (interest rate swaps).
- Position risk (general and specific). Under equity risk, the Group calculates capital requirements for equity instruments, derivatives and derivatives on equity instruments. Under position risk, the Group discloses also capital requirements for exposure to collective investments undertakings included in the trading book.
- Foreign exchange risk. Under the foreign exchange risk, the Group calculates the capital requirement for an open foreign exchange position, among which also capital requirements for derivatives on foreign currency are classified.
- CVA risk.

The table below presents RWA for market risk at the reporting date, 30 June 2018. The change in RWA for market risks, in the period between 30 June 2018 and 31 December 2017 relates primarily to the calculation of RWA for FX risk related to divestments of KBM leasing Hrvatska d.o.o. The subsidiary was sold in January 2018, consequently RWA for FX risk fall below 2% CET1 capital limit.

### Template 4: EU MR1 – Market risk under the standardised approach for the Biser Topco Group

|           |   | €000          |                      |
|-----------|---|---------------|----------------------|
|           |   | RWAs          | Capital requirements |
| 1         | Outright products                         |               |                      |
| 2         | Interest rate risk (general and specific) | 0             | 0                    |
| 3         | Equity risk (general and specific).       | 22,185        | 1,775                |
| 4         | Foreign exchange risk                     | 0             | 0                    |
| 5         | Commodity risk                            | 0             | 0                    |
| 6         | Options                                   |               |                      |
| 7         | Simplified approach                       | 0             | 0                    |
| 8         | Delta-plus method                         | 0             | 0                    |
| 9         | Scenario approach                         | 0             | 0                    |
| 10        | Securitisation (specific risk)            | 0             | 0                    |
| <b>11</b> | <b>Total</b>                              | <b>22,185</b> | <b>1,775</b>         |

### 4.3 General information on Operational risk RWA

*(Article 446 of the Regulation)*

The Group uses the Basic indicator approach to calculate the capital requirements for operational risk. Table below presents the RWA for operational risk as at June 30, 2018.

Table 1: Operational risk under the standardized approach

|   |                   | in000€         |                      |
|---|-------------------|----------------|----------------------|
|   |                   | RWAs           | Capital requirements |
| 1 | Biser Topco Group | <b>287.625</b> | <b>23.010</b>        |
| 2 | Nova KBM Group    | <b>320.477</b> | <b>25.638</b>        |

## **5. Credit risk and CRM techniques**

*(Articles 442, 444 and 453 of the Regulation)*

### **5.1 Disclosure, by significant exposure class, of**

- (i) impaired exposures and past-due exposures, provided separately;**
- (ii) specific and general credit risk adjustments; and**
- (iii) charges for specific and general credit risk adjustments during the reporting period**

*(Article 442 (g) of the Regulation)*

## Template 5: EU CR1-A – Credit quality of exposures by exposure class and instrument for the Biser Topco Group

€000

|           | a   | b                       | c                               | d                              | e                      | f  | g                    |                  |
|-----------|---|-------------------------|---------------------------------|--------------------------------|------------------------|--|----------------------|------------------|
|           | Gross carrying values of Defaulted exposures                              | Non-defaulted exposures | Specific credit risk adjustment | General credit risk adjustment | Accumulated write-offs | Credit risk adjustment charges of the period | Net values (a+b-c-d) |                  |
| 1         | Central governments or central banks                                      | 0                       | 1,398,902                       | 168                            | 0                      | 0  | -168                 | <b>1,398,734</b> |
| 2         | Regional governments or local authorities                                 | 0                       | 19,781                          | 407                            | 0                      | 0  | -392                 | <b>19,374</b>    |
| 3         | Public sector entities  | 0                       | 120,254                         | 176                            | 0                      | 0  | -171                 | <b>120,078</b>   |
| 4         | Multilateral development banks  | 0                       | 13,250                          | 0                              | 0                      | 0  | 0                    | <b>13,250</b>    |
| 5         | International organisations   | 0                       | 22,924                          | 1                              | 0                      | 0  | -1                   | <b>22,923</b>    |
| 6         | Institutions  | 0                       | 532,300                         | 90                             | 0                      | 0  | -68                  | <b>532,210</b>   |
| 7         | Corporates  | 0                       | 1,232,186                       | 7,134                          | 0                      | 0  | 10,540               | <b>1,225,052</b> |
| 8         | Of which: SMEs  | 0                       | 221,603                         | 2,919                          | 0                      | 0  | 1,479                | <b>218,684</b>   |
| 9         | Retail exposures  | 0                       | 1,561,798                       | 5,275                          | 0                      | -65,162                                      | 1,610                | <b>1,556,523</b> |
| 10        | Of which: SMEs  | 0                       | 202,221                         | 1,275                          | 0                      | 0  | 2,915                | <b>200,945</b>   |
| 11        | Exposures secured by mortgages on immovable property                      | 0                       | 351,153                         | 438                            | 0                      | 0  | 2,804                | <b>350,715</b>   |
| 12        | Of which: SMEs  | 0                       | 109,148                         | 344                            | 0                      | 0  | 972                  | <b>108,804</b>   |
| 13        | Exposures in default  | 432,133                 | 0                               | 242,157                        | 0                      | 61,881                                       | 115,538              | <b>189,977</b>   |
| 14        | Items associated with particular high risk                                | 60,180                  | 3,495                           | 47,505                         | 0                      | 16,703                                       | 55,723               | <b>16,170</b>    |
| 15        | Covered bonds   | 0                       | 0                               | 0                              | 0                      | 0  | 0                    | <b>0</b>         |
| 16        | Claims on institutions and corporates with a short-term credit assessment | 0                       | 0                               | 0                              | 0                      | 0  | 0                    | <b>0</b>         |
| 17        | Collective investment undertakings  | 0                       | 27,721                          | 0                              | 0                      | 0  | 0                    | <b>27,721</b>    |
| 18        | Equity exposures  | 0                       | 3,654                           | 0                              | 0                      | 0  | 0                    | <b>3,654</b>     |
| 19        | Other exposures   | 0                       | 231,161                         | 2                              | 0                      | 0  | 10,276               | <b>231,159</b>   |
| <b>20</b> | <b>Total standardised approach</b>  | <b>492,313</b>          | <b>5,518,578</b>                | <b>303,352</b>                 | <b>0</b>               | <b>13,421</b>                                | <b>195,690</b>       | <b>5,707,539</b> |
| <b>21</b> | <b>Total</b>  | <b>492,313</b>          | <b>5,518,578</b>                | <b>303,352</b>                 | <b>0</b>               | <b>13,421</b>                                | <b>195,690</b>       | <b>5,707,539</b> |
| 22        | Of which: Loans   | 435,154                 | 2,862,612                       | 281,096                        | 0                      | 13,421                                       | 193,445              | 3,016,670        |
| 23        | Of which: Debt securities   | 0                       | 1,535,624                       | 518                            | 0                      | 0  | -518                 | 1,535,106        |
| 24        | Of which: Off- balance-sheet exposures                                    | 20,669                  | 784,993                         | 7,850                          | 0                      | 0  | 16,666               | 797,812          |

## Template 6: EU CR1-A – Credit quality of exposures by exposure class and instrument for the Nova KBM Group

€000

|           |   | a  | b                          | c                                  | d                                    | e                         | f  | g                       |
|-----------|---|--|----------------------------|------------------------------------|--------------------------------------|---------------------------|--|-------------------------|
|           |   | Gross carrying values of<br>Defaulted<br>exposures | Non-defaulted<br>exposures | Specific credit<br>risk adjustment | General<br>credit risk<br>adjustment | Accumulated<br>write-offs | Credit risk<br>adjustment charges<br>of the period | Net values<br>(a+b-c-d) |
| 1         | Central governments or central banks                                      | 0  | 1.397.045                  | 168                                | 0                                    | 0                         | -168   | <b>1.396.876</b>        |
| 2         | Regional governments or local authorities                                 | 0  | 19.781                     | 407                                | 0                                    | 0                         | -392   | <b>19.374</b>           |
| 3         | Public sector entities  | 0  | 120.254                    | 176                                | 0                                    | 0                         | -171   | <b>120.078</b>          |
| 4         | Multilateral development banks  | 0  | 13.250                     | 0                                  | 0                                    | 0                         | 0  | <b>13.250</b>           |
| 5         | International organisations   | 0  | 22.924                     | 1                                  | 0                                    | 0                         | -1   | <b>22.923</b>           |
| 6         | Institutions  | 0  | 531.616                    | 90                                 | 0                                    | 0                         | -68  | <b>531.526</b>          |
| 7         | Corporates  | 0  | 1.230.865                  | 7.134                              | 0                                    | 0                         | 10.540   | <b>1.223.731</b>        |
| 8         | Of which: SMEs  | 0  | 221.603                    | 2.919                              | 0                                    | 0                         | 1.479  | <b>218.684</b>          |
| 9         | Retail exposures  | 0  | 1.561.800                  | 5.277                              | 0                                    | -85.240                   | 1.610  | <b>1.556.523</b>        |
| 10        | Of which: SMEs  | 0  | 202.221                    | 1.275                              | 0                                    | 0                         | 2.915  | <b>200.945</b>          |
| 11        | Exposures secured by mortgages on immovable property                      | 0  | 351.153                    | 438                                | 0                                    | 0                         | 2.804  | <b>350.715</b>          |
| 12        | Of which: SMEs  | 0  | 109.148                    | 344                                | 0                                    | 0                         | 972  | <b>108.804</b>          |
| 13        | Exposures in default  | 431.068  | 0                          | 242.155                            | 0                                    | 81.958                    | 115.540  | <b>188.913</b>          |
| 14        | Items associated with particular high risk                                | 60.180   | 3.495                      | 47.505                             | 0                                    | 16.703                    | 55.723   | <b>16.170</b>           |
| 15        | Covered bonds   | 0  | 0                          | 0                                  | 0                                    | 0                         | 0  | <b>0</b>                |
| 16        | Claims on institutions and corporates with a short-term credit assessment | 0  | 0                          | 0                                  | 0                                    | 0                         | 0  | <b>0</b>                |
| 17        | Collective investment undertakings  | 0  | 27.721                     | 0                                  | 0                                    | 0                         | 0  | <b>27.721</b>           |
| 18        | Equity exposures  | 0  | 3.654                      | 0                                  | 0                                    | 0                         | 0  | <b>3.654</b>            |
| 19        | Other exposures   | 0  | 231.106                    | 2                                  | 0                                    | 0                         | 10.276   | <b>231.104</b>          |
| <b>20</b> | <b>Total standardised approach</b>  | <b>491.248</b>                                     | <b>5.514.662</b>           | <b>303.352</b>                     | <b>0</b>                             | <b>13.421</b>             | <b>195.691</b>                                     | <b>5.702.557</b>        |
| <b>21</b> | <b>Total</b>  | <b>491.248</b>                                     | <b>5.514.662</b>           | <b>303.352</b>                     | <b>0</b>                             | <b>13.421</b>             | <b>195.691</b>                                     | <b>5.702.557</b>        |
| 22        | Of which: Loans   | 434.610  | 2.862.497                  | 281.096                            | 0                                    | 13.421                    | 193.445  | 3.016.010               |
| 23        | Of which: Debt securities   | 0  | 1.535.624                  | 518                                | 0                                    | 0                         | -518   | 1.535.106               |
| 24        | Of which: Off- balance-sheet exposures                                    | 20.669   | 784.993                    | 7.850                              | 0                                    | 0                         | 16.666   | 797.812                 |

## 5.2 Disclosure, by significant industry or counterparty type, of

- (i) impaired exposures and past-due exposures, provided separately;
- (ii) specific and general credit risk adjustments; and
- (iii) charges for specific and general credit risk adjustments during the reporting period  
(Article 442 (g) of the Regulation)

Template 7: EU CR1-B – Credit quality of exposures by industry or counterparty types for the Biser Topco Group

€000

|           |  | a  | b                          | c                                  | d                                 | e                         | f  | g                       |
|-----------|--|--|----------------------------|------------------------------------|-----------------------------------|---------------------------|--|-------------------------|
|           |  | Gross carrying values of<br>Defaulted<br>exposures | Non-defaulted<br>exposures | Specific credit risk<br>adjustment | General credit<br>risk adjustment | Accumulated<br>write-offs | Credit risk<br>adjustment charges<br>of the period | Net values<br>(a+b-c-d) |
| 1         | Agriculture and hunting, forestry, fishing   | 8,805  | 25,264                     | 7,546                              | 0                                 | 0                         | 1,367  | <b>26,523</b>           |
| 2         | Mining   | 0  | 18,933                     | 128                                | 0                                 | 0                         | 1,093  | <b>18,804</b>           |
| 3         | Manufacturing industry   | 81,817   | 454,690                    | 55,398                             | 0                                 | 609                       | 23,560   | <b>481,109</b>          |
| 4         | Electricity, gas and steam supply  | 361  | 90,337                     | 849                                | 0                                 | 0                         | 528  | <b>89,849</b>           |
| 5         | Water supply   | 2,555  | 42,746                     | 1,466                              | 0                                 | 0                         | 976  | <b>43,835</b>           |
| 6         | Construction   | 58,842   | 146,398                    | 37,552                             | 0                                 | 4,680                     | 36,011   | <b>167,688</b>          |
| 7         | Wholesale and retail trade   | 105,711  | 248,493                    | 60,503                             | 0                                 | 2,391                     | 22,634   | <b>293,700</b>          |
| 8         | Transportation and storage   | 23,935   | 129,610                    | 9,457                              | 0                                 | 0                         | 3,597  | <b>144,088</b>          |
| 9         | Accommodation and food service activities  | 25,548   | 39,295                     | 15,874                             | 0                                 | 3                         | 11,572   | <b>48,969</b>           |
| 10        | Information and communication activities   | 19,855   | 65,894                     | 17,368                             | 0                                 | 0                         | 8,481  | <b>68,381</b>           |
| 11        | Finance and insurance activities   | 6,382  | 1,317,487                  | 2,830                              | 0                                 | 4,529                     | 29,926   | <b>1,321,039</b>        |
| 12        | Real estate activities   | 47,854   | 11,721                     | 33,040                             | 0                                 | 266                       | 32,149   | <b>26,536</b>           |
| 13        | Professional, scientific and technical activities                                    | 19,608   | 131,491                    | 12,452                             | 0                                 | 341                       | 13,036   | <b>138,648</b>          |
| 14        | Other various business activities  | 4,778  | 139,978                    | 2,350                              | 0                                 | 1                         | 5,839  | <b>142,405</b>          |
| 15        | Public administration and defence services,<br>compulsory social security activities | 235  | 956,612                    | 679                                | 0                                 | 0                         | -423   | <b>956,169</b>          |
| 16        | Education  | 47   | 13,076                     | 103                                | 0                                 | 0                         | -56  | <b>13,021</b>           |
| 17        | Human health services and social work activities                                     | 8,721  | 22,120                     | 609                                | 0                                 | 0                         | 610  | <b>30,232</b>           |
| 18        | Arts, entertainment and recreation   | 784  | 44,282                     | 441                                | 0                                 | 501                       | 1,259  | <b>44,625</b>           |
| 19        | Other activities   | 76,475   | 1,620,152                  | 44,707                             | 0                                 | 101                       | 3,530  | <b>1,651,920</b>        |
| <b>20</b> | <b>Total</b>   | <b>492,313</b>                                     | <b>5,518,578</b>           | <b>303,352</b>                     | <b>0</b>                          | <b>13,421</b>             | <b>195,690</b>                                     | <b>5,707,539</b>        |

## Template 8: EU CR1-B – Credit quality of exposures by industry or counterparty types for the Nova KBM Group

€000

|           |   | a                        | b                       | c                               | d                              | e                      | f  | g                    |
|-----------|---|--------------------------|-------------------------|---------------------------------|--------------------------------|------------------------|--|----------------------|
|           |   | Gross carrying values of |                         | Specific credit risk adjustment | General credit risk adjustment | Accumulated write-offs | Credit risk adjustment charges of the period | Net values (a+b-c-d) |
|           |   | Defaulted exposures      | Non-defaulted exposures |                                 |                                |                        |  |                      |
| 1         | Agriculture and hunting, forestry, fishing  | 8,805                    | 25,264                  | 7,546                           | 0                              | 0                      | 1,367  | <b>26,523</b>        |
| 2         | Mining  | 0                        | 18,933                  | 128                             | 0                              | 0                      | 1,093  | <b>18,804</b>        |
| 3         | Manufacturing industry  | 81,817                   | 454,690                 | 55,398                          | 0                              | 609                    | 23,560                                       | <b>481,109</b>       |
| 4         | Electricity, gas and steam supply   | 361                      | 90,337                  | 849                             | 0                              | 0                      | 528  | <b>89,849</b>        |
| 5         | Water supply  | 2,555                    | 42,746                  | 1,466                           | 0                              | 0                      | 976  | <b>43,835</b>        |
| 6         | Construction  | 58,842                   | 146,398                 | 37,552                          | 0                              | 4,680                  | 36,011                                       | <b>167,688</b>       |
| 7         | Wholesale and retail trade  | 105,711                  | 248,493                 | 60,503                          | 0                              | 2,391                  | 22,634                                       | <b>293,700</b>       |
| 8         | Transportation and storage  | 23,935                   | 128,262                 | 9,457                           | 0                              | 0                      | 3,597  | <b>142,740</b>       |
| 9         | Accommodation and food service activities   | 25,548                   | 39,295                  | 15,874                          | 0                              | 3                      | 11,572                                       | <b>48,969</b>        |
| 10        | Information and communication activities  | 19,855                   | 65,894                  | 17,368                          | 0                              | 0                      | 8,481  | <b>68,381</b>        |
| 11        | Finance and insurance activities  | 5,317                    | 1,316,775               | 2,829                           | 0                              | 4,529                  | 29,928                                       | <b>1,319,263</b>     |
| 12        | Real estate activities  | 47,854                   | 11,721                  | 33,040                          | 0                              | 266                    | 32,149                                       | <b>26,536</b>        |
| 13        | Professional, scientific and technical activities                                 | 19,608                   | 131,491                 | 12,452                          | 0                              | 341                    | 13,036                                       | <b>138,648</b>       |
| 14        | Other various business activities   | 4,778                    | 139,978                 | 2,350                           | 0                              | 1                      | 5,839  | <b>142,405</b>       |
| 15        | Public administration and defense services, compulsory social security activities | 235                      | 954,754                 | 679                             | 0                              | 0                      | -423   | <b>954,311</b>       |
| 16        | Education   | 47                       | 13,076                  | 103                             | 0                              | 0                      | -56  | <b>13,021</b>        |
| 17        | Human health services and social work activities                                  | 8,721                    | 22,120                  | 609                             | 0                              | 0                      | 610  | <b>30,232</b>        |
| 18        | Arts, entertainment and recreation  | 784                      | 44,282                  | 441                             | 0                              | 501                    | 1,259  | <b>44,625</b>        |
| 19        | Other activities  | 76,475                   | 1,620,152               | 44,707                          | 0                              | 101                    | 3,530  | <b>1,651,920</b>     |
| <b>20</b> | <b>Total</b>  | <b>491,248</b>           | <b>5,514,660</b>        | <b>303,350</b>                  | <b>0</b>                       | <b>13,421</b>          | <b>195,691</b>                               | <b>5,702,557</b>     |

### 5.3 Disclosure of the amount of the impaired exposures and past-due exposures, provided separately, broken down by significant geographical areas, including, if practical, the amounts of specific and general risk adjustments related to each geographical area

(Article 442 (h) of the Regulation)

Template 9: EU CR1-C – Credit quality of exposures by geography for the Biser Topco Group

|           |  | €000                     |                         |                                 |                                |                        |  |                             |
|-----------|--|--------------------------|-------------------------|---------------------------------|--------------------------------|------------------------|--|-----------------------------|
|           |  | a                        | b                       | c                               | d                              | e                      | f  | g                           |
|           |  | Gross carrying values of |                         | Specific credit risk adjustment | General credit risk adjustment | Accumulated write-offs | Credit risk adjustment charges of the period | Net values<br>(a+b<br>-c-d) |
|           |  | Defaulted exposures      | Non-defaulted exposures |                                 |                                |                        |  |                             |
| 1         | Significant area 1<br>EU countries by CRR      | <b>486,531</b>           | <b>5,361,405</b>        | <b>300,319</b>                  | <b>0</b>                       | <b>4,513</b>           | <b>170,467</b>                               | <b>5,547,617</b>            |
| 2         | Slovenia                                       | 447,093                  | 4,036,229               | 271,070                         | 0                              | -28,746                | 113,603                                      | <b>4,212,252</b>            |
| 3         | EU Countries other than<br>Slovenia by CRR     | 39,438                   | 1,325,176               | 29,249                          | 0                              | 33,258                 | 56,864                                       | <b>1,335,365</b>            |
| 4         | Significant area 2<br>Other European countries | 5,672                    | 1,832                   | 2,843                           | 0                              | 8,908                  | 25,284                                       | <b>4,661</b>                |
| 5         | Other geographical areas                       | 110                      | 155,341                 | 190                             | 0                              | 1                      | -61  | <b>155,261</b>              |
| <b>19</b> | <b>Total</b>                                   | <b>492,313</b>           | <b>5,518,578</b>        | <b>303,352</b>                  | <b>0</b>                       | <b>13,421</b>          | <b>195,690</b>                               | <b>5,707,539</b>            |



## Template 10: EU CR1-C – Credit quality of exposures by geography for the Nova KBM Group

€000

|           |  | Gross carrying values of |                  | c              | d        | e             | f              | g                |
|-----------|--|--------------------------|------------------|----------------|----------|---------------|----------------|------------------|
|           |  | a                        | b                |                |          |               |                |                  |
| 1         | Significant area 1<br>EU countries by CRR      | <b>485,466</b>           | <b>5,357,487</b> | <b>300,317</b> | <b>0</b> | <b>4,513</b>  | <b>170,469</b> | <b>5,542,635</b> |
| 2         | Slovenia                                       | 446,028                  | 4,033,086        | 271,068        | 0        | -28,746       | 113,605        | <b>4,208,045</b> |
| 3         | EU Countries other than<br>Slovenia by CRR     | 39,438                   | 1,324,401        | 29,249         | 0        | 33,258        | 56,864         | <b>1,334,590</b> |
| 4         | Significant area 2<br>Other European countries | 5,672                    | 1,832            | 2,843          | 0        | 8,908         | 25,284         | <b>4,661</b>     |
| 5         | Other geographical areas                       | 110                      | 155,341          | 190            | 0        | 1             | -61            | <b>155,261</b>   |
| <b>19</b> | <b>Total</b>                                   | <b>491,248</b>           | <b>5,514,660</b> | <b>303,350</b> | <b>0</b> | <b>13,421</b> | <b>195,691</b> | <b>5,702,557</b> |

## 5.4 Disclosure of ageing of past-due exposures

(Article 442(a) of the Regulation)

The total amount of past-due defaulted exposures amounted to €348.5 million at the end of the first half of 2018; and compared to 2017, the amount has decreased by €54.9 million. In the first half of 2018, the largest decrease in past due defaulted exposures was recorded in the past due bucket of 1 year (€55.6 million) and in the 30 to 60 days bucket (€19.1 million). The decrease is the result of the continuing successful implementation of the non-performing exposures reduction strategy.

Template 11: CR1-D – Ageing of past-due exposures for the Biser Group and Nova KBM Group

€000

|          |                                  | a             | b                      | Gross carrying values of |                         |                        | f              |
|----------|----------------------------------|---------------|------------------------|--------------------------|-------------------------|------------------------|----------------|
|          |                                  | ≤ 30 days     | > 30 days<br>≤ 60 days | > 60 days<br>≤ 90 days   | > 90 days<br>≤ 180 days | > 180 days<br>≤ 1 year | > 1 year       |
| 1        | Loans and other financial assets | 52,523        | 7,583                  | 4,340                    | 5,014                   | 4,599                  | 274,453        |
| 2        | Debt securities                  | 0             | 0                      | 0                        | 0                       | 0                      | 0              |
| <b>3</b> | <b>Total exposures</b>           | <b>52,523</b> | <b>7,583</b>           | <b>4,340</b>             | <b>5,014</b>            | <b>4,599</b>           | <b>274,453</b> |

## 5.5 Disclosure of non-performing and forborne exposures

(Article 442(a) of the Regulation)

Data on non-performing exposures refer to the Nova KBM Group companies, as neither Biser Topco nor Biser Bidco companies perform any activity and, hence, do not have non-performing or forborne exposures. In the first half of 2018, the amount of non-performing exposures in the Nova KBM Group has decreased from €575 million to €465 million. At the end of the first half of 2018, the Group had €43.8 million less non-performing forborne exposures than at the end of 2017, which was the result of the continuing successful implementation of the non-performing exposures reduction strategy.

### Template 12: EU CR1-E – Non-performing and forborne exposures for the Biser Group

€000

|     | a  | b   | c                            | d                       | e                  | f                 | g                       | h  | i                           | j     | k                           | l   | m                 |        |
|-----|--|---|------------------------------|-------------------------|--------------------|-------------------|-------------------------|--|-----------------------------|-------|-----------------------------|---|-------------------|--------|
|     | Gross carrying values of performing and non-performing exposures |   |                              |                         |                    |                   |                         | Accumulated impairment and provisions and negative fair value adjustments due to credit risk |                             |       |                             | Collaterals and financial guarantees received |                   |        |
|     |  | Of which performing but past due > 30 days and <= 90 days | Of which performing forborne | Of which non-performing |                    |                   | On performing exposures |  | On non-performing exposures |       | On non-performing exposures |   |                   |        |
|     |  |   |                              |                         | Of which defaulted | Of which impaired | Of which forborne       |  | Of which forborne           |       | Of which forborne           |   | Of which forborne |        |
| 010 | Debt securities  | 1,616,644   | 0                            | 0                       | 0                  | 0                 | 0                       | 518  | 0                           | 0     | 0                           | 0   | 0                 |        |
| 020 | Loans and advances   | 3,331,478   | 8,428                        | 79,927                  | 465,173            | 463,424           | 429,441                 | 196,826  | 13,030                      | 2,855 | 281,897                     | 107,728                                       | 70,262            | 37,845 |
| 030 | Off-balance-sheet exposures                                      | 805,662   | 137                          | 4,403                   | 20,165             | 20,155            | 20,155                  | 110  | 592                         | 19    | 7,258                       | 6   | 1,529             | 93     |

## Template 13: EU CR1-E – Non-performing and forborne exposures for the Nova KBM Group

€000

|     | a  | b   | c                            | d                       | e                  | f                 | g                       | h  | i                           | j     | k                           | l   | m                 |        |
|-----|--|---|------------------------------|-------------------------|--------------------|-------------------|-------------------------|--|-----------------------------|-------|-----------------------------|---|-------------------|--------|
|     | Gross carrying values of performing and non-performing exposures |   |                              |                         |                    |                   |                         | Accumulated impairment and provisions and negative fair value adjustments due to credit risk |                             |       |                             | Collaterals and financial guarantees received |                   |        |
|     |  | Of which performing but past due > 30 days and <= 90 days | Of which performing forborne | Of which non-performing |                    |                   | On performing exposures |  | On non-performing exposures |       | On non-performing exposures |   |                   |        |
|     |  |   |                              |                         | Of which defaulted | Of which impaired | Of which forborne       |  | Of which forborne           |       | Of which forborne           |   | Of which forborne |        |
| 010 | Debt securities  | 1,613,441   | 0                            | 0                       | 0                  | 0                 | 0                       | 518  | 0                           | 0     | 0                           | 0   | 0                 |        |
| 020 | Loans and advances   | 3,330,818   | 8,428                        | 79,927                  | 465,173            | 463,424           | 429,441                 | 196,826  | 13,030                      | 2,855 | 281,897                     | 107,728                                       | 70,262            | 37,845 |
| 030 | Off-balance-sheet exposures                                      | 805,662   | 137                          | 4,403                   | 20,165             | 20,155            | 20,155                  | 110  | 592                         | 19    | 7,258                       | 6   | 1,529             | 93     |

## 5.6 Disclosure of the reconciliation of changes in the specific and general credit risk adjustments for impaired exposures

(Article 442 (i) of the Regulation)

The following tables present the reconciliation of changes in the specific and general credit risk adjustments for impaired exposures for the first half of 2018. The tables are populated only with data on accumulated specific credit risk adjustments as the Group does not have any accumulated general credit risk adjustments.

The decrease of credit risk adjustments mainly reflects the reductions in non-performing exposures as part of the Group's strategy, including the disposal of subsidiaries, such as KBM Leasing Hrvatska and KBM ASCO.

Template 14: EU CR2-A – Changes in the stock of general and specific credit risk adjustments for the Biser Group

|          |  | €000  |  |
|----------|--|---|--|
|          |  | a   | b  |
|          |  | Accumulated specific credit risk adjustment | Accumulated general credit risk adjustment |
| <b>1</b> | <b>Opening balance</b>   | <b>-338.631</b>                             | -  |
| 2        | Increases due to amounts set aside for estimated loan losses during the period             | -8.958                                      |  |
| 3        | Decreases due to amounts reversed for estimated loan losses during the period              | 46.740                                      | -  |
| 4        | Decreases due to amounts taken against accumulated credit risk adjustments                 | 19.702                                      | -  |
| 5        | Transfers between credit risk adjustments  | -458  | -  |
| 6        | Impact of exchange rate differences  | 0   | -  |
| 7        | Business combinations, including acquisitions and disposals of subsidiaries                | 0   | -  |
| 8        | Other adjustments  | 0   | -  |
| <b>9</b> | <b>Closing balance</b>   | <b>-281.604</b>                             | -  |
| 10       | Recoveries on credit risk adjustments recorded directly to the statement of profit or loss | 0   | -  |
| 11       | Specific credit risk adjustments directly recorded to the statement of profit or loss      | -227  | -  |

Note: The minus sign is an increase in value adjustments.

Template 15: EU CR2-A – Changes in the stock of general and specific credit risk adjustments for the Nova KBM Group

€000

|          |  | a   | b  |
|----------|--|---|--|
|          |  | Accumulated specific credit risk adjustment | Accumulated general credit risk adjustment |
| <b>1</b> | <b>Opening balance</b>   | <b>-338.631</b>                             | --   |
| 2        | Increases due to amounts set aside for estimated loan losses during the period             | -8.958                                      |  |
| 3        | Decreases due to amounts reversed for estimated loan losses during the period              | 46.740                                      | -  |
| 4        | Decreases due to amounts taken against accumulated credit risk adjustments                 | 19.702                                      | -  |
| 5        | Transfers between credit risk adjustments  | -458  | -  |
| 6        | Impact of exchange rate differences  | 0   | -  |
| 7        | Business combinations, including acquisitions and disposals of subsidiaries                | 0   | -  |
| 8        | Other adjustments  | 0   | -  |
| <b>9</b> | <b>Closing balance</b>   | <b>-281.604</b>                             | -  |
| 10       | Recoveries on credit risk adjustments recorded directly to the statement of profit or loss | 0   | -  |
| 11       | Specific credit risk adjustments directly recorded to the statement of profit or loss      | -227  | -  |

Note: The minus sign is an increase in value adjustments.

## 5.7 Disclosure of changes in the stock of defaulted and impaired loans and debt securities

(Article 442 (i) of the Regulation)

In the first half of 2018, the total volume of defaulted exposures declined by €110 million. Other changes with €72 million represent the largest share of the decline and include the sale of subsidiaries KBM Leasing Hrvatska and KBM ASCO €9.6 and €24 million, respectively, repayments €27.7 million, and sales of claims €8.2 million.

As neither Biser Topco nor Biser Bidco perform any activity, the amount of defaulted and impaired loans and debt securities at the Biser Group level is identical to the Nova KBM Group level.

Template 16: EU CR2-B – Changes in the stock of defaulted and impaired loans and debt securities for the Biser Group and Nova KBM Group

|          |   | €000  |
|----------|---|---|
|          |   | a   |
|          |   | Gross carrying value<br>defaulted exposures |
| <b>1</b> | <b>Opening balance</b>  | <b>575,245</b>                              |
| 2        | Loans and debt securities that have defaulted or impaired since the last reporting period | 13,933                                      |
| 3        | Returned to non-defaulted status  | -17,855                                     |
| 4        | Amounts written off   | -33,766                                     |
| 5        | Other changes   | -72,384                                     |
| <b>6</b> | <b>Closing balance</b>  | <b>465,173</b>                              |

**5.8 Disclosure of the total exposure value (after on- or off-balance-sheet netting, if applicable) that is covered – after the application of volatility adjustments – by eligible financial collateral, and other eligible collateral, separately for each exposure class, if the institution calculates risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, but does not provide own estimates of LGDs or conversion factors in respect of the exposure class (Article 453 (f) and (g) of the Regulation)**

Template 17: EU CR3 – CRM Techniques – overview for the Biser Topco Group

|          |                          | €000                                     |  |                                    |  |  |
|----------|--------------------------|--|--|------------------------------------|--|--|
|          |                          | a  | b                                      | c                                  | d  | e  |
|          |                          | Exposures unsecured –<br>Carrying amount | Exposures secured –<br>Carrying amount | Exposures secured by<br>collateral | Exposures secured by<br>financial guarantees | Exposures secured by<br>credit derivatives |
| 1        | Total loans              | 3,959,168                                | 144,260                                | 96,426                             | 47,834                                       | 0  |
| 2        | Total debt securities    | 0  | 0                                      | 0                                  | 0  | 0  |
| <b>3</b> | <b>Total exposures *</b> | 5,823,732                                | 187,159                                | 139,325                            | 47,834                                       | 0  |
| 4        | Of which defaulted       | 483,272                                  | 9,041                                  | 6,752                              | 2,289  | 0  |

\*The total exposures amount present the total exposures of the Credit Risk Group calculated in accordance with the CRR.

Template 18: EU CR3 – CRM Techniques – overview for the Nova KBM Group

|          |                          | €000                                     |  |                                    |  |  |
|----------|--------------------------|--|--|------------------------------------|--|--|
|          |                          | a  | b                                      | c                                  | d  | e  |
|          |                          | Exposures unsecured –<br>Carrying amount | Exposures secured –<br>Carrying amount | Exposures secured<br>by collateral | Exposures secured by<br>financial guarantees | Exposures secured<br>by credit derivatives |
| 1        | Total loans              | 3,958,508                                | 144,260                                | 96,426                             | 47,834                                       | 0  |
| 2        | Total debt securities    | 0  | 0                                      | 0                                  | 0  | 0  |
| <b>3</b> | <b>Total exposures *</b> | 5,818,749                                | 187,159                                | 139,325                            | 47,834                                       | 0  |
| 4        | Of which defaulted       | 482,207                                  | 9,041                                  | 6,752                              | 2,289  | 0  |

\*The total exposures amount present the total exposures of the Credit Risk Group calculated in accordance with the CRR.



**5.9 Disclosure of the total exposure (after on- or off-balance- sheet netting, if applicable) that is covered by guarantees or credit derivatives, separately for each exposure class, if the institution calculates risk-weighted exposure amounts under the Standardised Approach, this requirement applies for all approaches referred to in Article 155.**

*(Article 453 (f) and (g) of the Regulation)*

Template 38: EU CR4 – Standardised approach – Credit risk exposure and CRM effects for the Biser Topco Group

€000

|    | Exposure classes  | Exposures before CCF and CRM |                          | Exposures post CCF and CRM |                          | RWAs and RWA density |             |
|----|---|------------------------------|--------------------------|----------------------------|--------------------------|----------------------|-------------|
|    |   | On-balance sheet amount      | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | RWAs                 | RWA density |
| 1  | Central governments or central banks                                      | 1,398,286                    | 616                      | 1,547,140                  | 1,793                    | 14,125               | 1%          |
| 2  | Regional governments or local authorities                                 | 14,601                       | 5,180                    | 14,197                     | 1,127                    | 3,065                | 20%         |
| 3  | Public sector entities  | 115,623                      | 4,631                    | 33,177                     | 950                      | 5,290                | 15%         |
| 4  | Multilateral development banks  | 13,250                       | 0                        | 13,250                     | 0                        | 0                    | 0%          |
| 5  | International organisations   | 22,924                       | 0                        | 8,197                      | 0                        | 0                    | 0%          |
| 6  | Institutions  | 501,420                      | 30,014                   | 501,332                    | 6,346                    | 184,004              | 36%         |
| 7  | Corporates  | 746,594                      | 484,907                  | 693,575                    | 192,536                  | 862,249              | 97%         |
| 8  | Retail exposures  | 1,326,921                    | 234,877                  | 1,319,435                  | 50,005                   | 989,008              | 72%         |
| 9  | Secured by mortgages on immovable property                                | 326,992                      | 24,161                   | 326,089                    | 7,553                    | 130,302              | 39%         |
| 10 | Exposures in default  | 411,465                      | 20,669                   | 173,686                    | 2,762                    | 199,355              | 113%        |
| 11 | Items associated with particular high risk                                | 63,594                       | 0                        | 16,090                     | 0                        | 24,255               | 151%        |
| 12 | Covered bonds   | 0                            | 0                        | 0                          | 0                        | 0                    | 0%          |
| 13 | Claims on institutions and corporates with a short-term credit assessment | 0                            | 0                        | 0                          | 0                        | 0                    | 0%          |
| 14 | Collective investment undertakings  | 27,721                       | 0                        | 27,721                     | 0                        | 5,684                | 21%         |
| 15 | Equity instruments  | 3,654                        | 0                        | 3,654                      | 0                        | 7,221                | 198%        |
| 16 | Other items   | 230,551                      | 608                      | 230,551                    | 122                      | 156,708              | 68%         |
| 17 | <b>Total</b>  | <b>5,203,596</b>             | <b>805,662</b>           | <b>4,908,094</b>           | <b>263,193</b>           | <b>2,581,265</b>     | <b>50%</b>  |

## Template 39: EU CR4 – Standardised approach – Credit risk exposure and CRM effects for the Nova KBM Group

€000

|    | Exposure classes  | a                            |                          | b                          |                          | c                            |                          | d                          |             | e                    |             | f                    |  |
|----|---|------------------------------|--------------------------|----------------------------|--------------------------|------------------------------|--------------------------|----------------------------|-------------|----------------------|-------------|----------------------|--|
|    |   | Exposures before CCF and CRM |                          | Exposures post CCF and CRM |                          | Exposures before CCF and CRM |                          | Exposures post CCF and CRM |             | RWAs and RWA density |             | RWAs and RWA density |  |
|    |   | On-balance sheet amount      | Off-balance sheet amount | On-balance sheet amount    | Off-balance sheet amount | On-balance sheet amount      | Off-balance sheet amount | RWAs                       | RWA density | RWAs                 | RWA density |                      |  |
| 1  | Central governments or central banks                                      | 1,396,428                    | 616                      | 1,545,283                  | 1,793                    | 14,125                       | 1%                       |                            |             |                      |             |                      |  |
| 2  | Regional governments or local authorities                                 | 14,601                       | 5,180                    | 14,197                     | 1,127                    | 3,065                        | 20%                      |                            |             |                      |             |                      |  |
| 3  | Public sector entities  | 115,623                      | 4,631                    | 33,177                     | 950                      | 5,290                        | 15%                      |                            |             |                      |             |                      |  |
| 4  | Multilateral development banks  | 13,250                       | 0                        | 13,250                     | 0                        | 0                            | 0%                       |                            |             |                      |             |                      |  |
| 5  | International organisations   | 22,924                       | 0                        | 8,197                      | 0                        | 0                            | 0%                       |                            |             |                      |             |                      |  |
| 6  | Institutions  | 500,736                      | 30,014                   | 500,648                    | 6,346                    | 183,662                      | 36%                      |                            |             |                      |             |                      |  |
| 7  | Corporates  | 745,273                      | 484,907                  | 692,254                    | 192,536                  | 860,928                      | 97%                      |                            |             |                      |             |                      |  |
| 8  | Retail exposures  | 1,326,921                    | 234,877                  | 1,319,435                  | 50,005                   | 989,008                      | 72%                      |                            |             |                      |             |                      |  |
| 9  | Secured by mortgages on immovable property                                | 326,992                      | 24,161                   | 326,089                    | 7,553                    | 130,302                      | 39%                      |                            |             |                      |             |                      |  |
| 10 | Exposures in default  | 410,399                      | 20,669                   | 172,622                    | 2,762                    | 197,755                      | 113%                     |                            |             |                      |             |                      |  |
| 11 | Items associated with particular high risk                                | 63,594                       | 0                        | 16,090                     | 0                        | 24,255                       | 151%                     |                            |             |                      |             |                      |  |
| 12 | Covered bonds   | 0                            | 0                        | 0                          | 0                        | 0                            | 0%                       |                            |             |                      |             |                      |  |
| 13 | Claims on institutions and corporates with a short-term credit assessment | 0                            | 0                        | 0                          | 0                        | 0                            | 0%                       |                            |             |                      |             |                      |  |
| 14 | Collective investment undertakings  | 27,721                       | 0                        | 27,721                     | 0                        | 5,684                        | 21%                      |                            |             |                      |             |                      |  |
| 15 | Equity instruments  | 3,654                        | 0                        | 3,654                      | 0                        | 7,221                        | 198%                     |                            |             |                      |             |                      |  |
| 16 | Other items   | 230,496                      | 608                      | 230,496                    | 122                      | 156,653                      | 68%                      |                            |             |                      |             |                      |  |
| 17 | <b>Total</b>  | <b>5,198,613</b>             | <b>805,662</b>           | <b>4,903,112</b>           | <b>263,193</b>           | <b>2,577,947</b>             | <b>50%</b>               |                            |             |                      |             |                      |  |

**5.10 Information about the exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 of the Regulation as well as those deducted from own funds (Article 444 (e) of the Regulation)**

Template 19: EU CR5 – Standardised approach for the Biser Topco Group

€000

|           | Exposure class  | Risk weight      |                |               |                |                |                |                  |                  |                |              | Total         | Of which unrated |                  |
|-----------|---|------------------|----------------|---------------|----------------|----------------|----------------|------------------|------------------|----------------|--------------|---------------|------------------|------------------|
|           |   | 0%               | 4%             | 10%           | 20%            | 35%            | 50%            | 75%              | 100%             | 150%           | 250%         |               |                  | Other            |
| 1         | Central governments or central banks                                      | 1.382.736        | 101.300        | 56.048        | 0              | 0              | 8.761          | 0                | 87               | 0              | 0            | 0             | <b>1.548.933</b> | 135.877          |
| 2         | Regional governments or local authorities                                 | 0                | 0              | 0             | 15.324         | 0              | 0              | 0                | 0                | 0              | 0            | 0             | <b>15.324</b>    | 6.624            |
| 3         | Public sector entities  | 20.138           | 0              | 0             | 10.874         | 0              | 0              | 0                | 3.115            | 0              | 0            | 0             | <b>34.127</b>    | 3.115            |
| 4         | Multilateral development banks  | 13.250           | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | <b>13.250</b>    | 0                |
| 5         | International organisations   | 8.197            | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | <b>8.197</b>     | 0                |
| 6         | Institutions  | 0                | 0              | 0             | 240.517        | 0              | 264.252        | 0                | 3.775            | 0              | 0            | 0             | <b>508.544</b>   | 54.038           |
| 7         | Corporates  | 0                | 0              | 0             | 5.016          | 0              | 76.684         | 0                | 759.337          | 45.759         | 0            | 0             | <b>886.796</b>   | 616.535          |
| 8         | Retail exposures  | 0                | 0              | 0             | 0              | 0              | 0              | 1.369.443        | 0                | 0              | 0            | 0             | <b>1.369.443</b> | 1.369.443        |
| 9         | Exposures secured by mortgages on immovable property                      | 0                | 0              | 0             | 0              | 190.833        | 142.809        | 0                | 0                | 0              | 0            | 0             | <b>333.642</b>   | 333.642          |
| 10        | Exposures in default  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 130.633          | 45.815         | 0            | 0             | <b>176.448</b>   | 176.448          |
| 11        | Items associated with particular high risk                                | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 16.170         | 0            | 0             | <b>16.170</b>    | 16.170           |
| 12        | Covered bonds   | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | <b>0</b>         | 0                |
| 13        | Claims on institutions and corporates with a short-term credit assessment | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | <b>0</b>         | 0                |
| 14        | Collective investment undertakings  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 2.504            | 0              | 0            | 25.217        | <b>27.721</b>    | 2.504            |
| 15        | Equity instruments  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 1.276            | 0              | 2.378        | 0             | <b>3.654</b>     | 3.654            |
| 16        | Other items   | 55.564           | 0              | 0             | 23.001         | 0              | 0              | 0                | 152.108          | 0              | 0            | 0             | <b>230.672</b>   | 32.496           |
| <b>17</b> | <b>Total</b>  | <b>1.479.886</b> | <b>101.300</b> | <b>56.048</b> | <b>294.731</b> | <b>190.833</b> | <b>492.506</b> | <b>1.369.443</b> | <b>1.052.835</b> | <b>107.744</b> | <b>2.378</b> | <b>25.217</b> | <b>5.172.921</b> | <b>2.750.547</b> |

## Template 20: EU CR5 – Standardised approach for the Nova KBM Group

€000

|    | Exposure class  | Risk weight      |                |               |                |                |                |                  |                  |                |              |               | Total            | Of which unrated |
|----|---|------------------|----------------|---------------|----------------|----------------|----------------|------------------|------------------|----------------|--------------|---------------|------------------|------------------|
|    |   | 0%               | 4%             | 10%           | 20%            | 35%            | 50%            | 75%              | 100%             | 150%           | 250%         | Other         |                  |                  |
| 1  | Central governments or central banks                                      | 1.380.879        | 101.300        | 56.048        | 0              | 0              | 8.761          | 0                | 87               | 0              | 0            | 0             | 1.547.076        | 135.875          |
| 2  | Regional governments or local authorities                                 | 0                | 0              | 0             | 15.324         | 0              | 0              | 0                | 0                | 0              | 0            | 0             | 15.324           | 6.624            |
| 3  | Public sector entities  | 20.138           | 0              | 0             | 10.874         | 0              | 0              | 0                | 3.115            | 0              | 0            | 0             | 34.127           | 3.115            |
| 4  | Multilateral development banks  | 13.250           | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | 13.250           | 0                |
| 5  | International organisations   | 8.197            | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | 8.197            | 0                |
| 6  | Institutions  | 0                | 0              | 0             | 240.517        | 0              | 263.568        | 0                | 3.775            | 0              | 0            | 0             | 507.860          | 53.354           |
| 7  | Corporates  | 0                | 0              | 0             | 5.016          | 0              | 76.684         | 0                | 758.016          | 45.759         | 0            | 0             | 885.475          | 615.214          |
| 8  | Retail exposures  | 0                | 0              | 0             | 0              | 0              | 0              | 1.369.443        | 0                | 0              | 0            | 0             | 1.369.443        | 1.369.443        |
| 9  | Exposures secured by mortgages on immovable property                      | 0                | 0              | 0             | 0              | 190.833        | 142.809        | 0                | 0                | 0              | 0            | 0             | 333.642          | 333.642          |
| 10 | Exposures in default  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 130.642          | 44.742         | 0            | 0             | 175.384          | 175.384          |
| 11 | Items associated with particular high risk                                | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 16.170         | 0            | 0             | 16.170           | 16.170           |
| 12 | Covered bonds   | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | 0                | 0                |
| 13 | Claims on institutions and corporates with a short-term credit assessment | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 0                | 0              | 0            | 0             | 0                | 0                |
| 14 | Collective investment undertakings  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 2.504            | 0              | 0            | 25.217        | 27.721           | 2.504            |
| 15 | Equity instruments  | 0                | 0              | 0             | 0              | 0              | 0              | 0                | 1.276            | 0              | 2.378        | 0             | 3.654            | 3.654            |
| 16 | Other items   | 55.564           | 0              | 0             | 23.001         | 0              | 0              | 0                | 152.052          | 0              | 0            | 0             | 230.617          | 33.559           |
| 17 | <b>Total</b>  | <b>1.478.028</b> | <b>101.300</b> | <b>56.048</b> | <b>294.731</b> | <b>190.833</b> | <b>491.822</b> | <b>1.369.443</b> | <b>1.051.468</b> | <b>106.671</b> | <b>2.378</b> | <b>25.217</b> | <b>5.167.939</b> | <b>2.748.539</b> |

## **6. CREDIT COUNTERPARTY RISK (CCR)**

*(Articles 92(3)(f), 439, 444 and 452 of the Regulation)*

### **6.1 Disclosure of measures for exposure value under the methods set out in Part Three, Title II, Chapter 6, Section 3 to 6 of the Regulation**

*(Article 439 (f) of the Regulation)*

The Group monitors counterparty credit risk exposure using the mark-to-market method, in accordance with Article 274 of the Regulation. The replacement cost is the sum of current and potential future exposures.

## Template 21: EU CCR1 – Analysis of CCR exposure by approach for the Biser Topco Group

€000

|    |   | a        | b                                     | c                                | d  | e          | f            |
|----|---|----------|---------------------------------------|----------------------------------|--|------------|--------------|
|    |   | Notional | Replacement cost/current market value | Potential future credit exposure | Effective expected positive exposure (hereinafter: EEPE) | Multiplier | RWAs         |
| 1  | Mark to market  |          | 558                                   | 1,633                            |  |            | 1,171        |
| 2  | Original exposure                                     |          |                                       |                                  |  |            |              |
| 3  | Standardised approach                                 |          |                                       |                                  |  |            |              |
| 4  | Internal model method (IMM) (for derivatives and SFT) |          |                                       |                                  |  |            |              |
| 5  | Of which securities financing transactions (SFT)      |          |                                       |                                  |  |            |              |
| 6  | Of which derivatives and long settlement transactions |          |                                       |                                  |  |            |              |
| 7  | Of which from contractual cross-product netting       |          |                                       |                                  |  |            |              |
| 8  | Financial collateral simple method (for SFTs)         |          |                                       |                                  |  |            |              |
| 9  | Financial collateral comprehensive method (for SFTs)  |          |                                       |                                  |  |            |              |
| 10 | VaR for SFTs VaR for SFTs:                            |          |                                       |                                  |  |            |              |
| 11 | <b>Total</b>  |          |                                       |                                  |  |            | <b>1,171</b> |

### Credit value adjustment – CVA

„Credit value adjustment” (CVA) means the adjustment of the counterparty transactions portfolio to the valuation at the mean market value. The said adjustment made for the institution reflects the current market value of counterparty credit risk, but does not reflect the current market value of the institution’s credit risk to the counterparty. The template below discloses the data at the level of the Biser Topco Group as at 30 June 2018.

#### Template 22: EU CCR2 – CVA capital charge for the Biser Topco Group

€000

|   |  | Exposure value | RWAs      |
|---|--|----------------|-----------|
| 1 | Total portfolios subject to the advanced method  | 0              | 0         |
| 2 | (i) VaR component (including the 3x multiplier)  |                | 0         |
| 3 | (ii) Stress value at risk component (hereinafter: SVaR) (including the 3× multiplier): |                | 0         |
| 4 | All portfolios subject to the standardised method                                      | 293            | 16        |
| 5 | Based on the original exposure method  |                | 0         |
| 6 | Total subject to the CVA capital charge  | <b>293</b>     | <b>16</b> |

### Exposure to central counterparties

The Bank is not exposed to central counterparties. The Bank performs clearing through a clearing member; therefore, it does not disclose information in the „EU CCR8 – Exposures to CCR” Template.

### 6.2 Information about the exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 of the Regulation as well as those deducted from own funds

*(Article 444 (e) of the Regulation)*

## Template 23: EU CCR3 – Standardised approach – CCR exposures by regulatory portfolio and risk for the Biser Topco and Nova KBM Group

€000

|    | Exposure classes  | Risk weight |          |          |          |            |            |          |          |            |           |          | Total        | Of which unrated |   |
|----|---|-------------|----------|----------|----------|------------|------------|----------|----------|------------|-----------|----------|--------------|------------------|---|
|    |   | 0 %         | 2 %      | 4 %      | 10 %     | 20 %       | 50 %       | 70 %     | 75 %     | 100 %      | 150 %     | Others   |              |                  |   |
| 1  | Central governments or central banks                            | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 2  | Regional governments or local authorities                       | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 3  | Public sector entities  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 4  | Multilateral development banks                                  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 5  | International organisations                                     | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 6  | Institutions  | 0           | 0        | 0        | 0        | 228        | 638        | 0        | 0        | 0          | 0         | 0        | 0            | 866              | 0 |
| 7  | Corporates  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 685        | 0         | 0        | 685          | 685              |   |
| 8  | Retail  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 2        | 0          | 0         | 0        | 2            | 2                |   |
| 9  | Institutions and corporates with a short-term credit assessment |             | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 10 | Exposures in default  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                | 0 |
| 11 | Exposures associated with particular high risk                  | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 80        | 0        | 80           | 80               |   |
| 12 | Other items   | 0           | 0        | 0        | 0        | 0          | 0          | 0        | 0        | 0          | 0         | 0        | 0            | 0                |   |
| 13 | <b>Total</b>  | <b>0</b>    | <b>0</b> | <b>0</b> | <b>0</b> | <b>228</b> | <b>638</b> | <b>0</b> | <b>2</b> | <b>685</b> | <b>80</b> | <b>0</b> | <b>1.633</b> | <b>767</b>       |   |



## 7. Leverage ratio

(Article 451 of the Regulation)

This section defines disclosure requirements referred to in Article 451 of Part 8 of CRR and in Commission implementing regulation (EU) No 2016/200.

### 7.1 Leverage ratio of Biser Topco Group

(451 a-c of the Regulation)

Template 24: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

|          |  | €000                            |
|----------|--|---------------------------------|
|          |  | Applicable amounts<br>30/6/2018 |
| 1        | Total assets as per published financial statements   | 5.763.585                       |
| 2        | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation             | 0                               |
| 3        | Adjustment for fiduciary assets recognised in the statement of financial position in accordance with Article 429(13) of Regulation       | 0                               |
| 4        | Adjustments for derivative financial instruments   | 0                               |
| 5        | Adjustments for securities financing transactions (SFTs)   | 0                               |
| 6        | (Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation) | -540.631                        |
| EU-6a    | (Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)            | 0                               |
| EU-6b    | Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation   | 0                               |
| 7        | Other adjustments  | -136.184                        |
| <b>8</b> | <b>Total leverage ratio exposure</b>   | <b>5.086.769</b>                |

## Template 25: LRCom: Leverage ratio common disclosure

€000

|  |   | CRR leverage ratio exposures |
|--|---|------------------------------|
| <b>On-balance-sheet exposures (excluding derivatives and SFTs)</b>   |   |                              |
| 1  | On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)   | 4.868.861                    |
| 2  | (Asset amounts deducted in determining Tier 1 capital)  | -49.314                      |
| 3  | <b>Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>                               | <b>4.819.547</b>             |
| <b>Derivative exposures</b>  |   |                              |
| 4  | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                                      | 558                          |
| 5  | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)   | 1.633                        |
| EU-5a  | Exposure determined under Original Exposure Method  | 0                            |
| 6  | Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework       | 0                            |
| 7  | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | 0                            |
| 8  | (Exempted client-cleared trade exposures CCP leg)   | 0                            |
| 9  | Adjusted effective notional amount of written credit derivatives  | 0                            |
| 10   | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | 0                            |
| 11   | <b>Total derivative exposures (sum of lines 4 to 10)</b>  | <b>2.191</b>                 |
| <b>Securities financing transaction exposures</b>  |   |                              |
| 12   | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions  | 0                            |
| 13   | (Netted amounts of cash payables and cash receivables of gross SFT assets)  | 0                            |
| 14   | Counterparty credit risk exposure for SFT assets  | 0                            |
| EU-14a   | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013              | 0                            |
| 15   | Agent transaction exposures   | 0                            |
| EU-15a   | (Exempted client-cleared SFT exposure through CCP leg)  | 0                            |
| 16   | <b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>  | <b>0</b>                     |
| <b>Other off-balance-sheet exposures</b>   |   |                              |
| 17   | Off-balance-sheet exposures at gross notional amount  | 805.662                      |
| 18   | (Adjustments for conversion to credit equivalent amounts)   | -540.631                     |
| 19   | <b>Other off-balance-sheet exposures (sum of lines 17 to 18)</b>  | <b>265.031</b>               |
| <b>Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)</b> |   |                              |
| EU-19a   | (Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet)) | 0                            |
| EU-19b   | (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))                            | 0                            |
| <b>Capital and total exposures</b>   |   |                              |
| 20   | Tier-1 capital  | 613.980                      |
| 21   | <b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>   | <b>5.086.769</b>             |

| Leverage ratio  |   |               |
|---|---|---------------|
| <b>22</b>   | <b>Leverage ratio</b>   | <b>12.07%</b> |
| Choice on transitional arrangements for the definition of the capital measure |   |               |
| EU-23   | Choice on transitional arrangements for the definition of the capital measure                             | No            |
| EU-24   | Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013 | 0             |

Template 26: LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

|       |  | €000                               |
|-------|--|------------------------------------|
|       |  | CRR<br>leverage<br>ratio exposures |
| EU-1  | Total on-balance-sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:            | 4.819.547                          |
| EU-2  | Trading book exposures   | 0                                  |
| EU-3  | Banking book exposures, of which:  | 4.819.547                          |
| EU-4  | <i>Covered bonds</i>   | 0                                  |
| EU-5  | <i>Exposures treated as sovereigns</i>   | 1.398.118                          |
| EU-6  | <i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i> | 165.820                            |
| EU-7  | <i>Institutions</i>  | 501.332                            |
| EU-8  | <i>Secured by mortgages on immovable property</i>  | 326.564                            |
| EU-9  | <i>Retail exposures</i>  | 739.865                            |
| EU-10 | <i>Corporate exposures</i>   | 1.321.814                          |
| EU-11 | <i>Exposures in default</i>  | 160.477                            |
| EU-12 | <i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>                  | 205.558                            |

## 7.2 Leverage ratio of Nova KBM Group

(451 a-c of the Regulation)

Template 27: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

|          |  | €000                                |
|----------|--|-------------------------------------|
|          |  | Applicable<br>amounts<br>30/06/2018 |
| 1        | Total assets as per published financial statements   | 5.786.794                           |
| 2        | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation             | 0                                   |
| 3        | Adjustment for fiduciary assets recognised in the statement of financial position in accordance with Article 429(13) of Regulation       | 0                                   |
| 4        | Adjustments for derivative financial instruments   | 0                                   |
| 5        | Adjustments for securities financing transactions (SFTs)   | 0                                   |
| 6        | (Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation) | -540.631                            |
| EU-6a    | (Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)            | 0                                   |
| EU-6b    | Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation   | 0                                   |
| 7        | Other adjustments  | -162.636                            |
| <b>8</b> | <b>Total leverage ratio exposures</b>  | <b>5.083.526</b>                    |

## Template 28: LRCom: Leverage ratio common disclosure

€000

|  |   | CRR leverage ratio exposures |
|--|---|------------------------------|
| <b>On-balance-sheet exposures (excluding derivatives and SFTs)</b>   |   |                              |
| 1  | On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)   | 4,864,749                    |
| 2  | (Asset amounts deducted in determining Tier 1 capital)  | -48,444                      |
| 3  | <b>Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>                               | <b>4,816,305</b>             |
| <b>Derivative exposures</b>  |   |                              |
| 4  | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)                                      | 558                          |
| 5  | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)   | 1,633                        |
| EU-5a  | Exposure determined under Original Exposure Method  | 0                            |
| 6  | Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework       | 0                            |
| 7  | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | 0                            |
| 8  | (Exempted client-cleared trade exposures CCP leg)   | 0                            |
| 9  | Adjusted effective notional amount of written credit derivatives  | 0                            |
| 10   | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | 0                            |
| 11   | <b>Total derivative exposures (sum of lines 4 to 10)</b>  | <b>2,191</b>                 |
| <b>Securities financing transaction exposures</b>  |   |                              |
| 12   | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions  | 0                            |
| 13   | (Netted amounts of cash payables and cash receivables of gross SFT assets)  | 0                            |
| 14   | Counterparty credit risk exposure for SFT assets  | 0                            |
| EU-14a   | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013              | 0                            |
| 15   | Agent transaction exposures   | 0                            |
| EU-15a   | (Exempted client-cleared SFT exposure through CCP leg)  | 0                            |
| 16   | <b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>  | <b>0</b>                     |
| <b>Other off-balance-sheet exposures</b>   |   |                              |
| 17   | Off-balance-sheet exposures at gross notional amount  | 805,662                      |
| 18   | (Adjustments for conversion to credit equivalent amounts)   | -540,631                     |
| 19   | <b>Other off-balance-sheet exposures (sum of lines 17 to 18)</b>  | <b>265,031</b>               |
| <b>Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)</b> |   |                              |
| EU-19a   | (Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet)) | 0                            |
| EU-19b   | (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))                            | 0                            |
| <b>Capital and total exposures</b>   |   |                              |
| 20   | Tier-1 capital  | 614,774                      |
| 21   | <b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>   | <b>5,083,526</b>             |

| Leverage ratio  |   |        |
|---|---|--------|
| 22  | Leverage ratio  | 12.09% |
| Choice on transitional arrangements for the definition of the capital measure |   |        |
| EU-23   | Choice on transitional arrangements for the definition of the capital measure                             | No     |
| EU-24   | Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013 | 0      |

### Template 29: LRSpl: Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

|       |  | €000                               |
|-------|--|------------------------------------|
|       |  | CRR<br>leverage<br>ratio exposures |
| EU-1  | Total on-balance-sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:            | 4,816,305                          |
| EU-2  | Trading book exposures   | 0                                  |
| EU-3  | Banking book exposures, of which:  | 4,816,305                          |
| EU-4  | <i>Covered bonds</i>   | 0                                  |
| EU-5  | <i>Exposures treated as sovereigns</i>   | 1,396,260                          |
| EU-6  | <i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i> | 165,820                            |
| EU-7  | <i>Corporate exposures</i>   | 500,648                            |
| EU-8  | <i>Secured by mortgages on immovable property</i>  | 326,564                            |
| EU-9  | <i>Retail exposures</i>  | 738,544                            |
| EU-10 | <i>Corporate exposures</i>   | 1,321,814                          |
| EU-11 | <i>Exposures in default</i>  | 159,413                            |
| EU-12 | <i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i> | 207,242                            |

### 7.3 Description of procedures used to manage the risk of excessive exposure (451.d) of the Regulation)

Movements in the Group's financial leverage ratio are, along with movements in other capital ratios, monitored on a regular basis. Its monitoring was determined in the context of the Risk Management Strategy, and the Nova KBM Group Recovery Plan. The value of the financial leverage ratio is reported to:

- Supervisory Board,
- Management Board, and
- Various internal Committees (e.g. the ALCO).

Asset and Liabilities Committee (ALCO) is responsible for dealing with situations of excessive leverage ratio. In the Risk Management Strategy and the Recovery Plan, the Parent Bank stipulated at the Group level the red, yellow and green threshold values for the financial leverage ratio. When the yellow or red threshold value is exceeded, the ALCO has to adopt a decision on the management of the excessive leverage ratio risk.

As at 30 June 2018, the Group's financial leverage ratio stood at 12.09 %, which was fully in compliance with the financial plan of the Group reflecting its focus on the provision of

mainstream lending products (including to the corporate segment to which high exposure risk-weights apply). A high financial leverage ratio also results from a high level of Tier 1 capital.

#### **7.4 Description of the factors that had an impact on the leverage ratio to which the disclosed leverage ratio refers**

*(451.e) of the Regulation)*

The financial leverage ratio for was calculated by taking into account the relevant amount of the Group's on- and off-balance-sheet exposures as well as the level of its Tier 1 capital as at 30 June 2018. The following factors had the most significant impact on the calculation of the financial leverage ratio in first half of year 2018:

- In Tier 1 capital ratio:
  - Impacts as explained in chapter 3.1.
- In the exposure:
  - Impacts as explained in chapter 4.

## **8. Disclosures regarding transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds**

*(473a. of the Regulation)*

Disclosure is not relevant for the Group as the Group did not decide to use the capital deduction regarding transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds.

## **9. Transitional provisions for disclosure of own funds**

*(492. of the Regulation)*

Disclosure is not relevant for the Group as the Group from the 1 January 2018 does not use the transitional provisions for calculation of own funds or risk weighted assets. Transitional provisions are taken into consideration only in case of capital buffers calculation and are in line with articles of CRD Directive.