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Unaudited results of
operations of the Nova KBM
Group and Nova KBM d.d.

JANUARY - MARCH 2013



MAY 2013

Corporate governance bodies as of 31 March 2013

Management Board of Nova KBM

Aleš Hauc	President
Igor Žibrik	Member

Executive Directors of Nova KBM

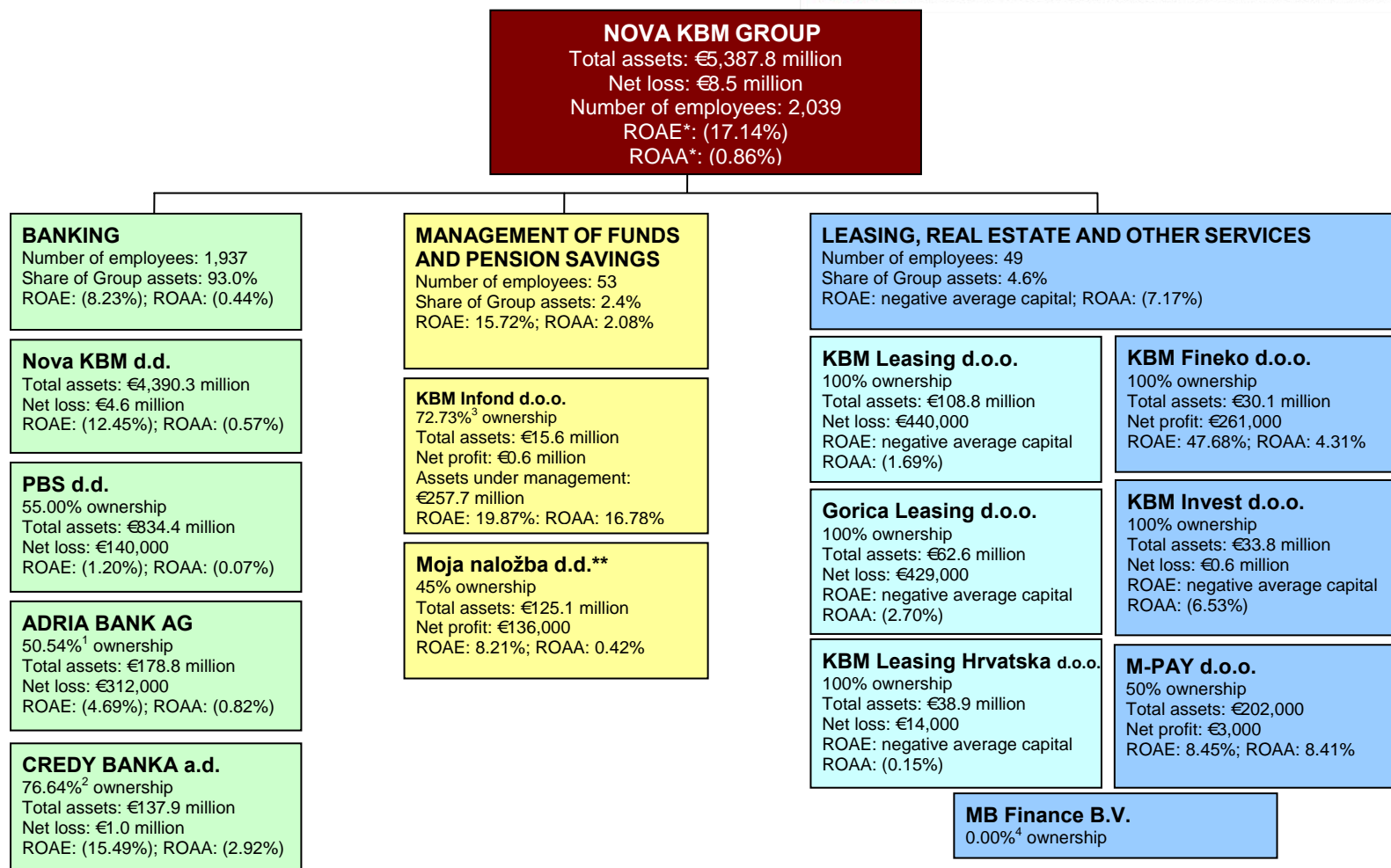
Aleksander Batič
Anton Guzej
Ksenija Mrevlje
Nataša Fesel
Peter Kupljen
Vlasta Brečko
Simon Hvalec
Uroš Lorenčič

Supervisory Board of Nova KBM

Peter Kukovica	Chairman
Niko Samec	Deputy Chairman
Andrej Fatur	Member
Egon Žižmond	Member
Karmen Dvorjak	Member
Keith Charles Miles	Member
Peter Kavčič	Member
Miha Glavič	Member

Name of the parent bank:	Nova Kreditna banka Maribor d.d.
Short name of the parent bank:	Nova KBM d.d.
Registered office:	Ulica Vita Kraigherja 4, 2505 Maribor
BIC (SWIFT):	KBMASI2X
Reuters:	KBMS
IBAN:	SI56 0100 0000 0400 014
Account No.:	01000-0000400014
Registration No.:	5860580
Entry No. in the register of companies of the Maribor District Court:	062/10924200
VAT ID No.:	SI94314527
Share capital:	€140,814,313.0





* ROAE and ROAA are presented on a pre-tax basis.

** Associated company.

¹ The Group's stake in the share capital of and voting rights in Adria Bank accounts for 50.54%, while its stake in the paid-up capital of Adria Bank equals 46.65%. Paid-up capital is made up of share capital and participating interests without voting rights held by non-controlling interest.

² The shareholders' agreement entered into between the Bank and the Republic of Serbia includes a provision under which a 12.89% stake of the Republic of Serbia in Credy banka is subject to a call option available to the Bank and a put option available to the Republic of Serbia. Following the exercise of the option, the shareholding of the Bank in Credy banka will increase to 89.53%, while the shareholding of the Republic of Serbia will fall to nil.

³ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain percentage of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

⁴ MB Finance is in accordance with an explanation given by the Standing Interpretation Committee, SOP 12, regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.



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Key performance indicators of the Nova KBM Group

	2013	2012	Index
Statement of financial position (€000)	31.03.	31.12.	
Total assets	5,387,779	5,321,810	101
Total deposits from the non-banking sector	3,618,457	3,618,678	100
Total loans to the non-banking sector	3,321,727	3,397,900	98
Total equity	236,724	253,204	93
Statement of income (€000)	Q1 2013	Q1 2012	
Net interest income	22,420	33,058	68
Net fee and commission income	14,179	14,899	95
Net (losses) from trading in securities and foreign exchange	(521)	(396)	132
Other income	878	2,545	34
Operating costs	(28,307)	(28,543)	99
Impairment losses and provisions	(19,982)	(18,992)	105
Profit/(loss) from continuing and discontinued operations	(11,333)	2,571	
Net profit/(loss) for the reporting period	(8,468)	1,445	
Ratios	31.03.	31.12.	
Net (loss) per share ¹ (€)	(0.70)	(5.25)	
Share price (€)	0.749	1.300	
Book value per share ² (€)	5.05	5.37	
Total capital adequacy (%)	9.15	9.17	
Tier I capital ratio	8.13	8.17	
Core Tier I capital ratio	5.16	5.26	
ROAA before tax (%)	(0.86)	(3.85)	
ROAE before tax (%)	(17.14)	(55.00)	
Operating costs/Average total assets (%)	2.13	2.12	
Cost/Income (%)	76.60	56.90	

¹ *Net profit/loss per share* is calculated as the ratio between the annualised net profit or loss attributable to owners of the parent and the weighted average number of Bank shares in the reporting period.

² *Book value per share* on the last day of the reporting period is calculated as the ratio between the equity attributable to owners of the parent and the total number of Bank shares outstanding on the last day of the reporting period.



Performance highlights for the period January – March 2013

- The Nova KBM Group (hereafter also referred to as the 'Group') posted a **pre-tax, pre-provision profit from continuing operations** of €8,649,000, which was 14.0% of the annual projection. The operations of the Group continued to be affected by adverse market conditions and declining economic activities, resulting in enhanced credit risk and, consequently, fairly high impairment losses and provisions recorded by the Group. Net provisioning expenses reached €19,982,000 in the first three months of 2013.
- For the three-month period ended 31 March 2013, the Group reported a **pre-tax loss from continuing operations** of €11,333,000, which accounted for 10.3% of the loss projected for the year. The net loss was €8,468,000. High provisioning expenses and lower than projected net interest income contributed the most to the loss reported for the period.
- The Group's **total assets** were €5,387,779,000 as of 31 March 2013, up €65,969,000, or 1.2%, on the 2012 year-end figure.
- **Net interest income** for the three-month period ended 31 March 2013 totalled €22,420,000, which made up 20.0% of the annual projection.
- **Net fee and commission income** was €14,179,000, or 24.0% of the annual projection.
- **Administration costs, including depreciation and amortisation**, reached 24.2% of the annual projection and totalled €28,307,000, a decrease of 0.8% relative to the same period last year. The ratio of operating costs to the average total assets stood at 2.13%, the same as at the end of 2012.
- The Group's **return on average equity before tax (ROAE)** was minus 17.14%, while its **return on average assets before tax (ROAA)** stood at minus 0.86%.
- As of 31 March 2013, the **Group's total equity** amounted to €236,724,000, a decrease of €16,480,000, or 7.0%, from the end of 2012. Its total capital adequacy ratio was 9.15%, compared to 9.17% reported for the end of 2012.



Other important events

January

- Robert Senica started his five-year term of office as the President of PBS's Management Board.
- The Shareholders' Meeting of Moja naložba appointed a new Supervisory Board of the company, with the following members: Aleš Hauc (Nova KBM), Uroš Lorenčič (Nova KBM), Katrca Rangus (Pozavarovalnica Sava), Marko Planinšec (Zavarovalnica Maribor), Jure Korent (Zavarovalnica Tilia), Mojca Androjna (Merkur zavarovalnica), Igor Marinič (representative of insured persons), Irena Šela (representative of insured persons) and Irena Žnidaršič (representative of insured persons).
- In addition to the Infond BRIC mutual fund that the company had launched in these markets earlier, KBM Infond started marketing the Infond Frontier and Infond Life mutual funds in Austria and Slovakia.

February

- The Infond Life equity sub-fund earned a five-star award for quality for the second consecutive year, while Barbara Gačnik, Deputy Director of KBM Infond Mutual Fund Management Department, was awarded the second prize among the best mutual fund managers.
- The following three KBM Infond mutual funds were registered for operation in the Czech market: Infond BRIC, Infond Frontier and Infond Life.

March

- On 18 March 2013, Nova KBM's Management Board passed a decision to increase the share capital of Nova KBM by an in-kind contribution of €100,000,000 via the issuance of 98,522,167 new ordinary shares into which a state-provided hybrid loan facility was converted.
- On 26 March 2013, Moody's Investors Service downgraded Nova KBM's long-term rating to Caa2 from B3, with a negative outlook. The junior subordinate rating was downgraded to C(hyb) from Caa3(hyb). The Bank's standalone E bank financial strength rating (BFSR) has been affirmed. In addition, Moody's Investors Service lowered the Bank's baseline credit assessment (BCA) to Caa3 from Caa1 within E standalone BFSR.
- Nova KBM's Supervisory Board consented to the Nova KBM Group's restructuring plan, after which the restructuring plan was submitted, through the Ministry of Finance, to the European Commission.
- As part of the reorganisation of the Nova KBM Group, the real estate business of KBM Fineko was taken over by KBM Invest. Andrej Šporin was appointed as the Manager of KBM Fineko.



Events after the end of the reporting period

April

- On 5 April 2013, Fitch Ratings downgraded Nova KBM to BB-/B from BBB-/F3. The rating actions made by Fitch Ratings were as follows: the viability rating was downgraded to CCC from B-; the support rating was downgraded to 3 from 2; the support rating floor was downgraded to BB- from BBB-; and the hybrid capital instruments rating was downgraded to C from CC.
- On 18 April 2013, Nova KBM received a court notice that the share capital increase had been entered into the Companies Register. Prior to the entry of the share capital increase into the Companies Register, Nova KBM's share capital totalled €40,814,313.08 and was split into 39,122,968 ordinary freely transferable registered no-par value shares with voting rights. Following the entry of the share capital increase into the Companies Register, Nova KBM's share capital now amounts to €140,814,313.08 and is split into 137,645,135 ordinary freely transferable registered no-par value shares with voting rights. The share capital of Nova KBM was increased by an in-kind contribution resulting from the conversion of a €100,000,000 million state-provided hybrid loan facility into Bank equity, in accordance with the Hybrid Loan Facility Agreement dated 31 December 2012. All newly issued shares were subscribed for by the Republic of Slovenia. The rights and entitlements attached to new shares are the same as those attached to all other ordinary registered shares of Nova KBM.
- On 25 April 2013, Nova KBM received the remaining proceeds from the sale of its 51% shareholding in Zavarovalnica Maribor, in accordance with the provisions of the agreement on the sale of Zavarovalnica Maribor shares, signed on 11 December 2012 between Slovenska odškodninska družba and Pozavarovalnica Sava, as the buyers, and Nova KBM, as the seller. The transfer of Zavarovalnica Maribor shares to Slovenska odškodninska družba and Pozavarovalnica Sava was made in accordance with the said agreement on the same day. By paying the entire purchase consideration and transferring the shares, the parties to the agreement fulfilled all contractual obligations, thus completing the sale of the Bank's equity stake in Zavarovalnica Maribor.
- The 2012 Annual Report of the Nova KBM Group and Nova KBM, together with the auditor's report, was approved by Nova KBM's Supervisory Board.
- Nova KBM's Supervisory Board consented to the increase in Nova KBM's share capital resulting from the conversion into Bank equity of interest accrued on the hybrid loan facility, and proposed that the increase in share capital be approved by the Nova KBM Shareholders' Meeting.
- Nova KBM's Supervisory Board consented to the amendments to Nova KBM's Articles of Association arising from the increase in share capital within the authorised capital, and proposed that the amendments to the Articles of Association be approved by the Nova KBM Shareholders' Meeting.
- Nova KBM's Supervisory Board agreed to propose to the Nova KBM Shareholders' Meeting that Gojko Koprivec be appointed as a new Supervisory Board member.



- Nova KBM's branch office Mestna Hranilnica in Maribor closed its doors.
- Igor Žibrik resigned as the Chairman and Ivica Smiljan resigned as a long-standing member of KBM Leasing Hrvatska's Supervisory Board. Uroš Lorenčič took over the chair of the company's Supervisory Board, while Borut Radolič was appointed as a new Supervisory Board member. Peter Kupljen remains on the Supervisory Board as a member.

Changes in the Supervisory Board of Nova KBM d.d.

There were no changes in the composition of Nova KBM's Supervisory Board in the first three months of 2013.



Letter to shareholders

Dear Business Partners, Customers,
Shareholders, and the Nova KBM
Group employees

In the first quarter of 2013, we saw the stability of European financial markets facing significant challenges, with the crisis experienced by the overbanked Cypriot financial sector contributing the most to an increased default risk. The uncertainty as to the development of the financial crisis has spread to other countries, mainly in southern Europe, causing investors to demand higher returns on government bonds. On the back of speculation that our country's economic crisis is deepening further, the global rating agencies downgraded their sovereign ratings for Slovenia which, in turn, led to an increase in the cost of our country's sovereign debt.

Slovenia's economic development at the beginning of the year was more positive than it was at the end of last year, mainly due to a pick-up in economic activity registered by export-oriented industries that have managed quite successfully to penetrate the Eurozone markets that have seen a growth in demand. Exports remain the driving force of Slovenia's economic growth. In spite of an improvement in its economic picture at the beginning of the year, the short-term prospects for Slovenia continue to be unfavourable and uncertain. The registered unemployment rate is over 13%, with the year-on-year decrease in the number of employed persons reaching almost 3%. The number of bankruptcy proceedings started in the first quarter of 2013 was 149, almost the same number as in the same period last year (158).

The continuation of adverse conditions in the international marketplace, combined with a weak local demand, does not indicate a significant improvement in economic performance this year. As for

the banking sector, steps are being taken to implement the Measures of the Republic of Slovenia to Strengthen the Stability of Banks Act, as part of which the government has accelerated the process of completing the setting up of the Bank Assets Management Company and classifying certain categories of bank assets that are intended to be transferred to this company.

The results of the Nova KBM Group for the three-month period ended 31 March were affected by an increased number of bankruptcy proceedings and, consequently, a deterioration in its loan portfolio. Reversing this negative trend is the primary objective of the Management Board and all Nova KBM Group employees for 2013. In the first quarter of the year, we drew up the Nova KBM Group's restructuring plan and sent it for review and approval to the European Commission. This plan, once approved, will serve as one of the main pillars to support the implementation of necessary changes within the Bank and the formulation of a new overall strategy for the Nova KBM Group. By raising additional capital, restructuring the Nova KBM Group, and setting up a new strategy, we plan to strengthen the financial position and performance of both the Bank and the Nova KBM Group. While a considerable amount of work will be required to achieve our ultimate performance objectives, the results may not be obvious for several years given the nature of the changes necessary.

According to several international institutions, a decline in economic activity may be expected in Slovenia in 2013. The key factors that will drive the economic development in Slovenia this year are as follows: the continuation of public finance consolidation; the adoption of essential structural reforms; and the privatisation of state-owned enterprises. We will adapt the operations of both the Bank and the Nova



KBM Group to the current market conditions while focusing on making improvements in cost efficiency, on compliance with regulatory requirements, and on integration of operations within the Nova KBM Group. All the activities will be carried out in line with the Nova KBM Group's restructuring programme, prepared for the European Commission. Due to the harsh market conditions, further provisioning needs, and the negative macroeconomic outlook, the management forecast that both the Bank and the Nova KBM Group will end the year 2013 with a loss from continuing operations, although

this is expected to be lower than that of 2012.

Only through the implementation of a comprehensive restructuring programme will Nova KBM be able to strengthen its reputation, competitive position and profitability in the domestic and foreign markets, and re-embark on the path towards a sustainable business model. The demanding circumstances open for us opportunities for changes and innovations that will help the Nova KBM Group deliver stable and strong results in the future. We would like to thank all of you who trust in us and support our efforts.

Maribor, May 2013

Management Board of Nova KBM d.d.

Igor Žibrik
Member

Aleš Hauc
President



Statement of management's responsibilities

(pursuant to Article 113 of the Financial Instruments Market Act)

By signing this statement, the Management Board of Nova KBM **confirms** to the best of its knowledge that:

- the interim financial statements have been drawn up in accordance with the appropriate accounting framework of reporting and that they provide a true and fair view of the assets, liabilities, the financial position and the profit and loss of the Bank and other companies included in the consolidation as a whole, and
- the business report gives a fair view of the development and results of the Bank's operations and its financial position, including the description of principal risks the Bank and other companies included in the consolidation are exposed to.

Maribor, 30 May 2013

Management Board of Nova KBM d.d.



Igor Žibrik
Member



Aleš Hauc
President



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

The Nova KBM Group consists of the parent company (Nova KBM), 11 subsidiary companies, and one associated company. The names of the companies and the Bank's shareholding in them are presented in the table below.

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

The Bank is obliged to prepare consolidated financial statements.

Composition of the Nova KBM Group, including the associated company, as of 31 March 2013

Company	Position in the Group	Share of voting rights (%)
Nova KBM d.d.	parent bank	
Poštna banka Slovenije d.d.	subsidiary bank	55.00
Adria Bank AG	subsidiary bank	50.54 ³
Credy banka a.d.	subsidiary bank	76.64 ⁴
KBM Fineko d.o.o.	subsidiary company	100.00
KBM Infond d.o.o.	subsidiary company	72.73 ⁵
KBM Leasing d.o.o.	subsidiary company	100.00
KBM Invest d.o.o.	subsidiary company	100.00
Gorica Leasing d.o.o.	subsidiary company	100.00
M-Pay d.o.o.	subsidiary company	50.00
KBM Leasing Hrvatska d.o.o.	subsidiary company	100.00
MB Finance B.V.	subsidiary company	0.00 ⁶
Moja naložba d.d.	associated company	45.00

There were no changes in the shareholding of Group companies in the first three months of 2013.

³ The Group's stake in the share capital of and voting rights in Adria Bank accounts for 50.54%, while its stake in the paid-up capital of Adria Bank equals 46.65%. Paid-up capital is made up of share capital and participating interests without voting rights held by non-controlling interest.

⁴ The shareholders' agreement entered into between the Bank and the Republic of Serbia includes a provision under which a 12.89% stake of the Republic of Serbia in Credy banka is subject to a call option available to the Bank and a put option available to the Republic of Serbia. Following the exercise of the option, the shareholding of the Bank in Credy banka will increase to 89.53%, while the shareholding of the Republic of Serbia will fall to nil.

⁵ The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain percentage of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

⁶ MB Finance is in accordance with an explanation given by the Standing Interpretation Committee, SOP 12, regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.



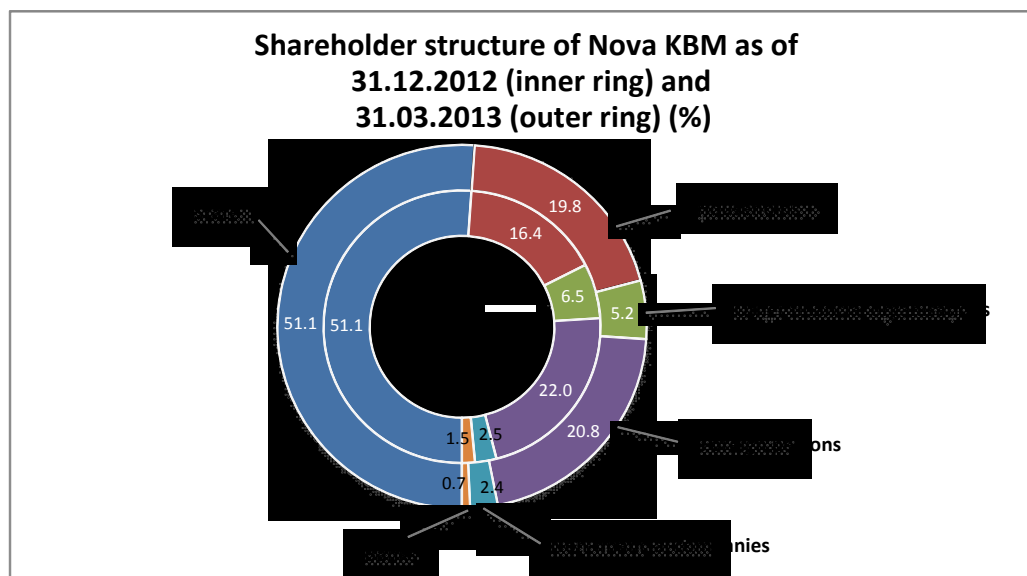
Key performance indicators of individual Group members for the three-month period ended 31 March 2013

COMPANY	Number of employees	Net profit or (loss) (€000)	Total assets (€000)	ROAE before tax (%)	ROAA before tax (%)
Nova KBM d.d.	1,285	(4,593)	4,390,341	(12.45)	(0.57)
Poštna banka Slovenije d.d.	242	(140)	834,399	(1.20)	(0.07)
Adria Bank AG	34	(312)	178,847	(4.69)	(0.82)
Credy banka a.d.	376	(969)	137,881	(15.49)	(2.92)
KBM Fineko d.o.o.	10	261	30,054	47.68	4.31
KBM Infond d.o.o.	38	618	15,623	19.87	16.78
KBM Leasing d.o.o.	9	(440)	108,846	*	(1.69)
KBM Invest d.o.o.	10	(578)	33,778	*	(6.53)
Gorica Leasing d.o.o.	12	(429)	62,623	*	(2.70)
M-Pay d.o.o.	0	3	202	8.45	8.41
KBM Leasing Hrvatska d.o.o.	8	(14)	38,903	*	(0.15)
Moja naložba d.d.	15	136	125,092	8.21	0.42

* Not calculated due to negative capital.



Shareholder structure and information on shares



As of 31 March 2013, the shareholding of the state in Nova KBM was 51.1%, of which 35.7% was direct shareholding and 15.4% was indirect shareholding (through Pošta Slovenije, Gen Energija and Eles).

The 10 largest shareholders of Nova KBM on 31 March 2013

Number of shares	% of ownership ⁷	Shareholder
10,822,805	27.66	REPUBLIC OF SLOVENIA
3,308,023	8.46	KDPW – TRUST ACCOUNT
2,599,192	6.64	POŠTA SLOVENIJE
2,500,000	6.39	GEN
1,875,920	4.79	KAPITALSKA DRUŽBA
1,250,614	3.20	SLOVENSKA ODŠKODNINSKA DRUŽBA
937,500	2.40	ELES
935,833	2.39	NFD1 (equity fund)
923,567	2.36	EAST CAPITAL BALKAN FUND
587,307	1.50	SALINK LIMITED

Out of the members of the Bank's Management and Supervisory Board, Keith Charles Miles, a Supervisory Board member, held 24 Nova KBM shares (0.000061% shareholding) as of 31 March 2013.

⁷ Voting rights equal ownership interest.



Information on shares

As of 31 March 2013, the Bank's share capital amounted to €40,814,313.08 and was split into 39,122,968 ordinary no-par value shares.

Nova KBM has issued only one class of shares which are all freely transferable and bear the same rights. Each ordinary share entitles its holder to one vote at the Shareholders' Meeting.

Holders of ordinary shares have the following rights:

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

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

Information on shares

	31.03.2013	31.12.2012	31.12.2011	31.12.2010
Number of shareholders	97,215	97,429	98,354	100,295
Number of ordinary shares	39,122,968	39,122,968	39,122,968	26,081,979
Share price on the last trading date (€)	0.749	1.30	3.16	10.20
Market capitalisation (€000)	29,303	50,860	123,629	266,036

	Nova KBM				Nova KBM Group			
	31.03.13	31.12.12	31.12.11	31.12.10	31.3.13	31.12.12	31.12.11	31.12.10
Book value per share ⁸ (€)	4.73	4.92	9.55	14.39	5.05	5.37	10.07	15.22
Net earnings/(loss) per share ⁹ (€)	(0.47)	(5.20)	(2.42)	0.36	(0.70)	(5.25)	(2.38)	0.41
P/E ratio ¹⁰	(1.59)	(0.25)	(1.31)	28.33	(1.07)	(0.25)	(1.33)	24.88
P/B ratio ¹¹	0.16	0.26	0.27	0.33	0.15	0.24	0.31	0.67

⁸ Book value per share on the last day of the reporting period is calculated as the ratio between the total shareholders' equity of the Bank (for the Group: equity attributable to owners of the parent) and the weighted average number of shares in the period.

⁹ Net earnings or loss per share is calculated as the ratio between the Bank's annualized net profit or loss (for the Group: net profit or loss attributable to owners of the parent) and the weighted average number of shares in the period.

¹⁰ P/E ratio is calculated as the ratio between the share price on the last trading date and the Bank's net profit or loss (for the Group: net profit or loss attributable to owners of the parent) per share.

¹¹ P/B ratio is calculated as the ratio between the share price on the last trading date and the book value per share.



Dividend payment policy and dividend payment

Dividend for the year	2012-2015	2011	2010	2009	2008	2007	2006
Gross dividend per share (€)	-	-	0.08	0	0.2	0.2	0.7
Dividend yield ¹² (%)	-	-	0.8	0	2.1	1.5	-
Projected share of dividend in net profit of the Bank (%)	35	35	35	30	20	10	-
Share of dividend in net profit of the Bank ¹³ (%)	-	-	36.2	0	29.4	11	44.3

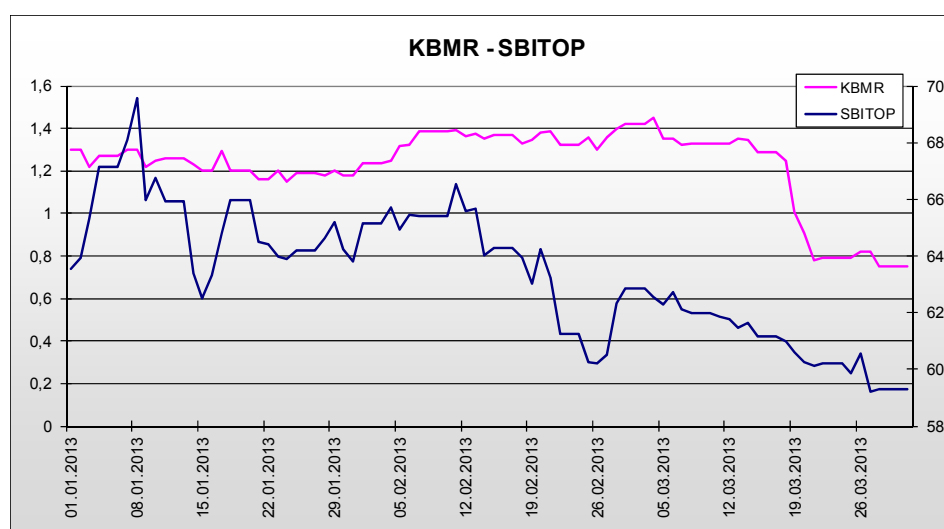
The Bank implements a dividend policy that envisages an annual dividend payment equalling 35% of net profit for a financial year, on the condition that the Bank generates a profit and that the capital adequacy of the Bank and the Group is not jeopardised.

Nova KBM share performance

In the period from 1 January to 31 March 2013, the price of KBMR shares traded on the Ljubljana Stock Exchange, which is the prime market for KBMR shares, ranged between €0.75 and €1.45 per share. The conversion of CoCo bonds into Bank equity had the most negative effect on the price of KBMR shares. The highest share price, at €1.45, was achieved on 4 March 2013, while the lowest price was registered on 28 March 2013 when KBMR shares traded at €0.75 per share.

The combined turnover in Nova KBM shares on the Ljubljana Stock Exchange and Warsaw Stock Exchange totalled 1,900,324 shares, giving an average daily turnover of 30,650 shares. At the end of March 2013, the Bank had 97,215 shareholders in total.

Nova KBM (trading symbol: KBMR; in €) share performance on the Ljubljana Stock Exchange and the SBITOP Index movement in the period January through March 2013 are presented in the chart below.



¹² Gross dividend per share/Share price on the last day of the financial year.

¹³ Gross dividend/Net profit or loss of the Bank.



Operating results of the Nova KBM Group

For the three-month period ended 31 March 2013, the **Group posted a pre-tax, pre-provision profit from continuing operations** of €8,649,000, which accounted for 42.0% of the figure reported for the same period last year. The **Group's pre-tax loss from continuing operations** amounted to €11,333,000, compared to a profit of €1,593,000 reported a year earlier. The year-on-year deterioration in the performance of the Group was attributable mainly to a 32.2%, or €10.6 million, decrease in net interest income. Interest expenses saw a year-on-year decrease of €2.2 million, while interest income dropped by €12.9 million compared to the same period last year.

The **Group's net loss** totalled €8,468,000, of which €6,858,000 was attributable to owners of the parent and €1,610,000 was attributable to the non-controlling interest. The net loss of the Group was €3,875,000 higher than the net loss posted by the Bank, partially as a result of net losses incurred by subsidiary companies (a total loss of €2.0 million), and partially due to the impact of consolidation entries (which related mainly to the auditing adjustments and additional impairment losses set aside by Adria Bank).

The banking division saw the largest decline in **net interest income**, with the net interest income of Nova KBM decreasing year-on-year by €5.9 million, or 26.2%, the net interest income of Credy banka decreasing by €1.6 million, or 61.7%, the net interest income of PBS decreasing by €1.4 million, or 22.2%, and the net interest income of Adria Bank decreasing by €0.9 million, or 39.4%. In the leasing segment, KBM Leasing registered a year-on-year decrease of €0.6 million in net interest income, while in the real estate segment, a decrease of €0.2 million in net interest income was reported by KBM Invest. The year-on-year drop in interest income earned by Nova KBM was the result of a decrease in interest income earned on loans (both loans to households and loans to non-financial companies), a decrease in gross loans given to the non-banking segment, an increase in impairment of interest income, a change in the structure of interest-bearing assets (shifting away from assets with higher returns to assets with lower returns), and a reduction in the average 6M EURIBOR.

Net fees and commissions generated by the Group in the first three months of 2013 totalled €14,179,000, a decrease of €720,000, or 4.8%, from the same period last year, mainly as a result of lower fees earned on loans. Nova KBM saw the largest drop in net fees and commissions (by €0.9 million, or 8.5%), followed by Adria Bank (by €0.1 million, or 33.6%). Net fee and commission income reported by KBM Infond increased year-on-year by €0.3 million, or 27.2%.

Other non-interest income of the Group decreased year-on-year by €1,792,000, partially as a result of losses incurred by Nova KBM on forward transactions, and partially due to the banking division's monthly accounting of the balance sheet tax. The drop in other non-interest income was in part offset by gains of €1.3 million realised by the leasing division.



Administration costs, including depreciation and amortisation, reached €28,307,000, down 0.8% from the same period last year, and 3.2% less than projected for the first quarter of 2013. Staff costs, which accounted for just over one-half of the total operating costs, were €14,307,000, a decrease of 5.7% from the same period last year. The ratio of operating costs to the average total assets stood at 2.13%, the same as at the end of 2012, while the cost-to-income ratio deteriorated to €76.60% as a result of a year-on-year decrease in income earned by the Group.

Net provisions and impairment losses recorded by the Group in the first three months of 2013 totalled €19,982,000, up 5.2% on the same period last year. The deterioration in the quality of the Group's loan portfolio continued throughout the first quarter of the year, but with less intensity than during the previous quarters.

As a result of the loss reported for the first three months of the year, the **Group's return on average assets before tax** (ROAA) was negative and stood at minus 0.86% (2012: minus 3.85%). The **Group's return on average equity before tax** (ROAE) was minus 17.14% (2012: minus 55.0%).

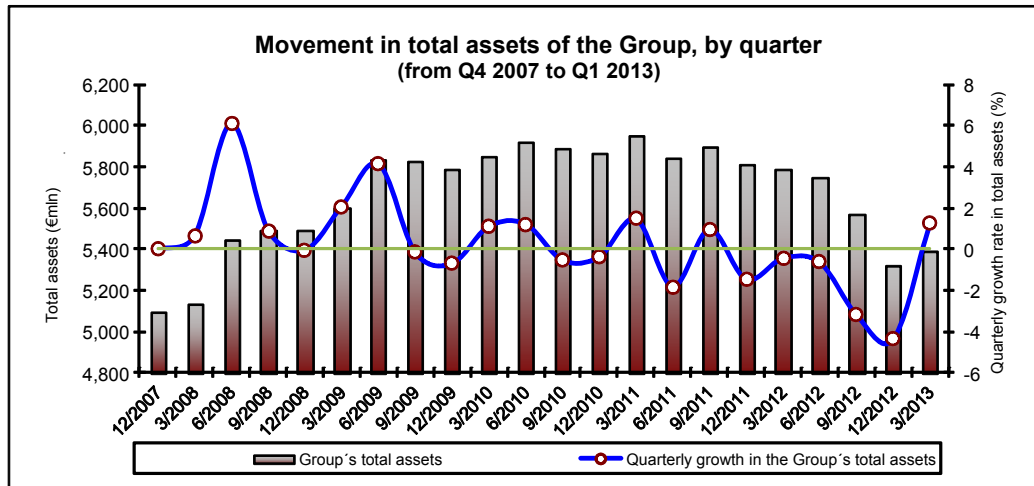
The **margin of financial intermediation**, calculated on the average total assets, stood at 2.83%, a decrease of 0.09 percentage points from 2012, due to extraordinary gains generated by the Group in 2012 on the sale of Zavarovalnica Maribor. The **interest margin**, also calculated on the average total assets, was 1.71%, down 0.16 percentage points from 2012.

For the three-month period ended 31 March 2013, the Group reported a **total comprehensive loss after tax** of €16,478,000, of which €8,468,000 was attributable to the net loss reported for the period, while the remaining amount of €8,010,000 was attributable to components of other comprehensive income. Valuation losses totalled €10,125,000, and the income tax in respect of components of other comprehensive income was €1,699,000.



Financial position of the Nova KBM Group

As of 31 March 2013, the Group's **total assets** amounted to €5,387.8 million, an increase of €66.0 million from the 2012 year-end.



Loans and deposits from the non-banking sector totalled €3,612.0 million at the end of March 2013, roughly the same figure as at the end of 2012. The decrease in loans and deposits registered by Nova KBM (mainly as a result of the conversion of a state loan into subordinated instruments, in accordance with the Hybrid Loan Facility Agreement) was offset by an increase in customer deposits registered by PBS and Adria Bank.

Net loans and advances given to customers decreased in the first three months of 2013 by €76.2 million, or 2.2%, to reach €3,321.7 million at the end of March 2013. Nova KBM saw the largest decline in net loans, which was partially due to a decrease in the volume of gross loans, and partially a result of additional impairment losses set aside by the Bank.

The balance of Nova KBM's **subordinated liabilities** increased following the conversion of a state loan into subordinated instruments, in accordance with the Hybrid Loan Facility Agreement.

Available-for-sale and held-to-maturity financial assets increased by €65.3 million from the end of 2012.

The Group's **total equity** decreased in the first three months of 2013 by 16.5 million, partially as a result of the net loss reported for the period, and partially due to the negative revaluation of securities through equity.

As of 31 March 2013, the Group's **Tier I capital ratio** and **Core Tier I capital ratio** stood at 8.13% and 5.16%, respectively.



Plans for the rest of 2013

The planning of the business policy and financial plan of the Group for the year 2013 was carried out on the basis of macroeconomic projections that were supported mainly by the autumn forecasts of the Institute of Macroeconomic Analysis and Development, and the Bank of Slovenia, taking into consideration the adopted strategy of the Group. The Bank's Supervisory Board consented to the 2013 plan of the Bank and the Group at its 19th regular meeting in December 2012. In spring 2013, a number of institutions involved in forecasting macroeconomic movements revised downwards their economic growth predictions for Slovenia for this year.

The **total assets** of the Group are projected to reach approximately €5,345.7 million by the end of 2013, up 0.4% on 2012. **Net interest income** is projected to be approximately €113.7 million, an increase of 7.4% relative to 2012. The **interest margin**, calculated as the ratio between net interest income and the average total assets, is projected to be 2.11%. **Net fee and commission income** is projected to amount to approximately €58.3 million, down 0.9% on 2012. **Administration costs, including depreciation and amortisation**, are projected to be €116.9 million, a decrease of 3.0% relative to 2012. Due to forecasts of a continuing economic crisis and a GDP decline in Slovenia and several other countries in the region, **provisions and impairment losses** will remain at relatively high levels, but are projected to be 44.7% below the figure reported for 2012. Considering this, the Group plans to report a **loss from continuing operations** also in 2013.

The management forecasts that the **total assets** of the Bank will reach €4,347.5 million by the end of 2013, an increase of 0.2% relative to the 2012 year-end. **Net interest income** is projected to be approximately €78.1 million, an increase of 8.9% relative to 2012. The **interest margin**, calculated as the ratio between net interest income and the average total assets, is projected to be 1.78%. **Net fee and commission income** is projected to amount to approximately €40.9 million, down 2.1% on 2012. **Administration costs, including depreciation and amortisation**, are projected to be €77.7 million, a decrease of 5.4% relative to 2012. The number of staff is projected to fall following the anticipated reorganisation and optimization of operating processes. Due to forecasts of a continuing economic crisis and a GDP decline in Slovenia, **provisions and impairment losses** will remain at an elevated level, but are projected to be about 50% below the figure reported for 2012. The Bank expects to end the year 2013 with a **loss from continuing operations**.



Key performance indicators of Nova KBM d.d.

	2013	2012	Index
Statement of financial position (€000)	31.03.	31.12.	
Total assets	4,390,341	4,338,568	101
Total deposits from the non-banking sector	2,879,466	2,917,317	99
Total loans to the non-banking sector	2,832,938	2,891,136	98
Total equity	185,016	192,569	96
Total impairment losses and provisions	638,334	634,558	101
Statement of income (€000)	Q1 2013	Q1 2012	
Net interest income	16,570	22,457	74
Net fee and commission income	9,871	10,783	92
Net gains/(losses) from trading in securities and foreign exchange	(1,152)	801	
Other (loss)	(476)	(144)	331
Operating costs	(18,840)	(19,406)	97
Impairment losses and provisions	(12,158)	(13,714)	89
Profit/(loss) from continuing operations	(6,185)	777	
Net profit/(loss) for the reporting period	(4,593)	536	
Ratios	31.03.	31.12.	
Net (loss) per share ¹⁴ (€)	(0.47)	(5.20)	
Share price (€)	0.749	1.300	
Book value per share ¹⁵ (€)	4.73	4.92	
Total capital adequacy (%)	9.32	9.18	
Tier I capital ratio	8.45	8.33	
Core Tier I capital ratio	4.94	4.91	
ROAA before tax (%)	(0.57)	(4.60)	
ROAE before tax (%)	(12.45)	(65.54)	
Operating costs/Average total assets (%)	1.76	1.76	
Cost/Income (%)	75.93	47.54	
Ratings (long-term)	31.03.	31.12.	
	Caa2 (Moody's)	B3 (Moody's)	
	BBB- (Fitch)	BBB- (Fitch)	

¹⁴ Annualised net profit or loss/Weighted average number of shares in the period.

¹⁵ Bank's total equity at the end of the period/Total number of ordinary no-par value shares.



As of 31 March 2013, the Bank's market share in terms of total assets accounted for 9.5% of the Slovene banking system.

The Bank's market share in deposits from customers was 11.7%, down 0.5 percentage points from the end of 2012, while its market share in loans and advances to customers remained flat at 9.3%.

The ratio of operating costs to the average total assets remained unchanged from the end of last year at 1.76%.

In the three-month period ended 31 March 2013, the interest margin of the Bank, calculated on the average total assets, stood at 1.55%, a decrease of 0.35 percentage points relative to the same period last year.



UNAUDITED INTERIM FINANCIAL REPORT OF THE NOVA KBM GROUP

JANUARY – MARCH 2013



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Interim Statement of Income – Nova KBM Group

€000

ITEM DESCRIPTION	Notes	Three months ended 31.03.2013	Three months ended 31.03.2012
Interest income	1	51,741	64,603
Interest expense	1	(29,321)	(31,545)
Net interest income	1	22,420	33,058
Dividend income	-	7	0
Fee and commission income	2	22,073	23,507
Fee and commission expense	2	(7,894)	(8,608)
Net fee and commission income	2	14,179	14,899
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	-	508	290
Net gains/(losses) on financial assets and liabilities held for trading	3	1,406	(3,171)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	4	(1,503)	2,829
Net exchange rate differences	5	(932)	(344)
Net gains on derecognition of assets excluding non-current assets held for sale	-	32	53
Other net operating income	-	702	1,378
Administration costs	6	(24,281)	(24,656)
Depreciation and amortisation	-	(4,026)	(3,887)
Provisions	7	2,739	(607)
Impairment losses	8	(22,721)	(18,385)
Share of profits of associates and joint ventures accounted for using the equity method	9	55	109
Net gains from non-current assets held for sale and liabilities associated therewith	-	82	27
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-	(11,333)	1,593
Income tax related to profit or loss from continuing operations	10	2,865	(1,126)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-	(8,468)	467
Total profit after tax from discontinued operations	-	0	978
NET PROFIT/(LOSS) FOR THE PERIOD	- (8,468)		1,445
a) Attributable to owners of the parent	-	(6,858)	378
– continuing operations	-	(6,858)	(600)
– discontinued operations	-	0	978
b) Attributable to non-controlling interest	-	(1,610)	1,067
Basic earnings/(loss) per share (€)	-	(0.18)	0.01
Diluted earnings/(loss) per share (€)	-	(0.18)	0.01

The accompanying notes form an integral part of these financial statements.



Interim Statement of Income – Nova KBM Group (by quarter)

€000

ITEM DESCRIPTION	2013	2012			
	Q1	Q4	Q3	Q2	Q1
Interest income	51,741	47,764	55,559	59,930	64,603
Interest expense	(29,321)	(27,491)	(31,744)	(31,232)	(31,545)
Net interest income	22,420	20,273	23,815	28,698	33,058
Dividend income	7	16	936	1,620	0
Fee and commission income	22,073	23,771	23,263	23,644	23,507
Fee and commission expense	(7,894)	(8,878)	(8,872)	(9,027)	(8,608)
Net fee and commission income	14,179	14,893	14,391	14,617	14,899
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	508	24,220	733	729	290
Net gains/(losses) on financial assets and liabilities held for trading	1,406	8	457	(2,600)	(3,171)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(1,503)	1,222	887	(2,282)	2,829
Net exchange rate differences	(932)	1,847	(207)	(560)	(344)
Net gains/(losses) on derecognition of assets excluding non-current assets held for sale	32	(50)	41	(29)	53
Other net operating income/(loss)	702	(839)	962	950	1,378
Administration costs	(24,281)	(28,305)	(25,803)	(25,295)	(24,656)
Depreciation and amortisation	(4,026)	(4,266)	(4,187)	(4,103)	(3,887)
Provisions	2,739	(6,397)	2,327	(4,395)	(607)
Impairment losses	(22,721)	(154,599)	(80,858)	(46,552)	(18,385)
Share of profits/(losses) of associates and joint ventures accounted for using the equity method	55	(152)	110	77	109
Net gains/(losses) from non-current assets held for sale and liabilities associated therewith	82	(3,940)	276	84	27
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(11,333)	(136,069)	(66,120)	(39,041)	1,593
Income tax related to profit or loss from continuing operations	2,865	11,388	685	1,543	(1,126)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(8,468)	(124,681)	(65,435)	(37,498)	467
Total profit after tax from discontinued operations	0	16,626	1,469	2,377	978
NET PROFIT/(LOSS) FOR THE PERIOD	(8,468)	(108,055)	(63,966)	(35,121)	1,445
a) Attributable to owners of the parent	(6,858)	(106,859)	(62,531)	(36,577)	378
b) Attributable to non-controlling interest	(1,610)	(1,196)	(1,435)	1,456	1,067
Basic earnings/(loss) per share (€)	(0.18)	(2.73)	(1.59)	(0.94)	0.01
Diluted earnings/(loss) per share (€)	(0.18)	(2.73)	(1.59)	(0.94)	0.01

The accompanying notes form an integral part of these financial statements.



Interim Statement of Other Comprehensive Income – Nova KBM Group

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ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	(8,468)	1,445
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(8,010)	16,335
Foreign currency translation differences arising from consolidation	457	(1,687)
Translation gains/(losses) taken to equity	457	(1,687)
Available-for-sale financial assets	(10,137)	20,453
Valuation gains/(losses) taken to equity	(10,125)	20,451
Transferred to profit or loss	(12)	2
Share of other recognised comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	(29)	52
Discontinued operations	0	1,606
Income tax related to components of other comprehensive income	1,699	(4,089)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD AFTER TAX	(16,478)	17,780
a) Attributable to owners of the parent	(12,427)	16,329
b) Attributable to non-controlling interest	(4,051)	1,451

The accompanying notes form an integral part of these financial statements.



Interim Statement of Other Comprehensive Income – Nova KBM Group (by quarter)

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ITEM DESCRIPTION	2013	2012			
	Q1	Q4	Q3	Q2	Q1
NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	(8,468)	(108,055)	(63,966)	(35,121)	1,445
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(8,010)	13,094	1,008	(8,203)	16,335
Foreign currency translation differences arising from consolidation	457	1,109	(279)	(1,617)	(1,687)
Translation gains/(losses) taken to equity	457	1,309	(279)	(1,617)	(1,687)
Transferred to profit or loss	0	(200)	0	0	0
Available-for-sale financial assets	(10,137)	17,009	454	(8,212)	20,453
Valuation gains/(losses) taken to equity	(10,125)	6,553	234	(8,329)	20,451
Transferred to profit or loss	(12)	10,456	220	117	2
Share of other recognised comprehensive income/(loss) of associates and joint ventures accounted for using the equity method	(29)	107	(44)	(62)	52
Other items	0	(2,171)	959	577	1,606
Income tax related to components of other comprehensive income	1,699	(2,960)	(82)	1,111	(4,089)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD AFTER TAX	(16,478)	(94,961)	(62,958)	(43,324)	17,780
a) Attributable to owners of the parent	(12,427)	(94,826)	(61,198)	(44,185)	16,329
b) Attributable to non-controlling interest	(4,051)	(135)	(1,760)	861	1,451

The accompanying notes form an integral part of these financial statements.



Interim Statement of Financial Position – Nova KBM Group

€000

ITEM DESCRIPTION	Notes	31.03.2013	31.12.2012
Cash and balances with the central bank	11	323,567	223,882
Financial assets held for trading	12	3,034	1,572
Financial assets designated at fair value through profit or loss	13	32,532	34,563
Available-for-sale financial assets	14	663,321	589,413
Loans and advances	-	3,531,270	3,633,260
– loans and advances to banks	15	139,290	162,408
– loans and advances to customers	16	3,321,727	3,397,900
– other financial assets	17	70,253	72,952
Held-to-maturity financial assets	18	491,529	500,108
Non-current assets and disposal groups classified as held for sale and discontinued operations	-	2,252	2,282
Property, plant and equipment	-	85,792	86,765
Investment property	-	53,435	53,317
Intangible assets	-	35,867	37,485
Investments in associates and joint ventures accounted for using the equity method	-	3,116	3,090
Tax assets	-	46,957	41,317
– current tax assets	-	2,896	2,424
– deferred tax assets	-	44,061	38,893
Other assets	-	115,107	114,756
TOTAL ASSETS	-	5,387,779	5,321,810
Financial liabilities due to the central bank	-	480,037	485,149
Financial liabilities held for trading	-	1,476	1,658
Financial liabilities measured at amortised cost	19	4,607,479	4,528,517
– deposits from banks	19	96,178	107,077
– deposits from customers	19	3,611,984	3,612,206
– loans from banks	19	567,005	576,004
– loans from customers	19	6,473	6,472
– debt securities	-	72,178	88,592
– subordinated liabilities	19	200,884	98,069
– other financial liabilities	19	52,777	40,097
Financial liabilities associated to transferred assets	-	9,813	0
Provisions	20	43,829	46,630
Tax liabilities	-	553	0
– current tax liabilities	-	26	0
– deferred tax liabilities	-	527	0
Other liabilities	-	7,868	6,652
TOTAL LIABILITIES	-	5,151,055	5,068,606
Share capital	-	40,815	40,814
Share premium	-	165,775	165,775
Revaluation reserves	21	(7,134)	(1,149)
Translation reserves	-	(1,951)	(2,365)
Reserves from profit	22	289,741	289,741
Treasury shares	-	(1,412)	(1,412)
Retained loss (including net loss for the financial year)	-	(288,095)	(281,237)
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	- 197,739		210,167
Non-controlling interest	-	38,985	43,037
TOTAL SHAREHOLDERS' EQUITY	-	236,724	253,204
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	-	5,387,779	5,321,810

The accompanying notes form an integral part of these financial statements.



Interim Statement of Cash Flows – Nova KBM Group

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Designation	ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Net profit/(loss) before tax	(11,333)	1,593
	Depreciation and amortisation	4,026	3,887
	Impairment/(reversal of impairment) of held-to-maturity financial assets	13	(22)
	Impairment of tangible assets, investment property and intangible assets	22	20
	Share of (profits) of associates and joint ventures accounted for using the equity method	(55)	(109)
	Net losses from exchange rate differences	932	344
	Net (gains)/losses from held-to-maturity financial assets	77	(146)
	Net (gains) from the sale of tangible assets and investment properties	(32)	(53)
	Other (gains) from investing activities	(4,560)	(4,583)
	Other losses from financing activities	2,837	2,943
	Net unrealised (gains) from non-current assets held for sale and discontinued operations and liabilities associated therewith	(82)	(27)
	Other adjustments to total profit or loss before tax	19,947	18,998
	Cash flow from operating activities before changes in operating assets and liabilities	11,792	22,845
b)	(Increase)/decrease in operating assets (excluding cash equivalents)	(10,328)	150,052
	Net (increase)/decrease in financial assets held for trading	(1,458)	2,825
	Net decrease in financial assets designated at fair value through profit or loss	2,031	571
	Net (increase)/decrease in available-for-sale financial assets	(94,819)	120,216
	Net decrease in loans and advances	83,672	21,322
	Net decrease in non-current assets held for sale	276	61
	Net (increase)/decrease in other assets	(30)	5,057
c)	(Decrease) in operating liabilities	(18,792)	(45,888)
	Net increase/(decrease) in financial liabilities to the central bank	(5,112)	74,624
	Net increase/(decrease) in financial liabilities held for trading	(182)	1,571
	Net (decrease) in deposits and loans measured at amortised cost	(8,078)	(133,912)
	Net increase/(decrease) in debt securities in issue measured at amortised cost	(16,414)	19,849
	Net increase/(decrease) in other liabilities	10,994	(8,020)
d)	Cash flow from operating activities (a+b+c)	(17,328)	127,009
e)	Income taxes (paid)	(283)	(587)
f)	Net cash flow from operating activities (d+e)	(17,611)	126,322



€000

Designation	ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	25,826	15,007
	Receipts from the sale of tangible assets and investment properties	173	152
	Receipts from non-current assets or liabilities held for sale	246	32
	Receipts from the sale of held-to-maturity financial assets	25,407	14,823
b)	Cash payments on investing activities	(15,717)	(85,546)
	(Cash payments to acquire tangible assets and investment properties)	(2,395)	(4,429)
	(Cash payments to acquire intangible assets)	(1,035)	(8,084)
	(Cash payments to acquire held-to-maturity financial assets)	(12,287)	(73,033)
	(Other cash payments related to investing activities)	0	0
c)	Net cash flow from investing activities (a+b)	10,109	(70,539)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	100,000	0
	Cash proceeds from subordinated liabilities issued	100,000	0
b)	Cash payments on financing activities	(83)	(486)
	(Dividends paid)	0	(2)
	(Repayment of subordinated liabilities)	(83)	(484)
c)	Net cash flow from financing activities (a+b)	99,917	(486)
D.	Effects of change in exchange rates on cash and cash equivalents	1,673	(3,674)
E.	Net increase in cash and cash equivalents (Af+Bc+Cc)	92,415	55,297
F.	Opening balance of cash and cash equivalents	332,522	245,776
G.	Closing balance of cash and cash equivalents (D+E+F)	426,610	297,399

Reconciliation of cash and cash equivalents with the statement of financial position items as of 31 March 2013 is presented in Note 11.

The balance of cash and cash equivalents as of 31 March 2012 amounted to €297,399,000 and was made up of cash and balances with the central bank, in the amount of €151,433,000, and loans and advances to banks with original maturity of up to three months, in the amount of €145,966,000.

Cash flows from interest, dividends and participation in profits

€000

	Three months ended 31.03.2013	Three months ended 31.03.2012
Interest paid	(33,541)	(23,571)
Interest received	46,744	69,334
Dividends and participation in profits paid	0	(2)
Dividends and participation in profits received	7	0

The accompanying notes form an integral part of these financial statements.



Interim Statement of Changes in Equity – Nova KBM Group

Interim Statement of Changes in Equity for three months ended 31.03.2013

€000

ITEM DESCRIPTION	Share capital	Share premium	Revaluation reserves	Translation reserves	Reserves from profit	Retained (loss) (including net loss for the period)	Treasury shares (capital deduction item)	Equity attributable to owners of the parent	Non-controlling interest	Total shareholders' equity
OPENING BALANCE FOR THE REPORTING PERIOD	40,814	165,775	(1,149)	(2,365)	289,741	(281,237)	(1,412)	210,167	43,037	253,204
Total comprehensive income for the period after tax	0	0	(5,984)	415	0	(6,858)	0	(12,427)	(4,051)	(16,478)
Other	1	0	(1)	(1)	0		0	(1)	(1)	(2)
CLOSING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(7,134)	(1,951)	289,741	(288,095)	(1,412)	197,739	38,985	236,724

The accompanying notes form an integral part of these financial statements.



Interim Statement of Changes in Equity for three months ended 31.03.2012

€000

ITEM DESCRIPTION	Share capital	Share premium	Revaluation reserves	Translation reserves	Reserves from profit	Retained (loss) (including net profit for the period)	Treasury shares (capital deduction item)	Equity attributable to owners of the parent	Non-controlling interest	Total shareholders' equity
OPENING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(25,096)	(127)	300,726	(86,628)	(1,412)	394,053	41,510	435,563
Total comprehensive income for the period after tax	0	0	17,458	(1,507)	0	378	0	16,329	1,451	17,780
Transfer of net profit to reserves from profit	0	0	0	0	5	(5)	0	0	0	0
CLOSING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(7,638)	(1,634)	300,731	(86,255)	(1,412)	410,382	42,961	453,343

The accompanying notes form an integral part of these financial statements.



Notes to the financial statements of the Nova KBM Group

The consolidated financial statements of the Group for the three-month period ended 31 March 2013 were authorised for issue on 8 May 2013 by the Management Board of Nova KBM d.d.

Statement of compliance

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

The interim financial report is prepared in a condensed form and includes selected explanatory notes as requested in accordance with IFRSs.

The interim financial statements are unaudited.

Presentation and functional currency

Items included in the consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group.

All amounts in the consolidated financial statements and in notes to the consolidated financial statements are expressed in thousands of euros except where stated otherwise. Slight discrepancies in totals may occur due to rounding off of figures.

Significant accounting policies

Adopted accounting policies have been consistently applied in both reporting periods presented in these consolidated financial statements.

The accounting policies applied are presented in detail in the 2012 Annual Report of the Nova KBM Group.



Notes to the statement of income items

1 Interest income and expense

1.1 Analysis of interest by market segments

	Q1 2013		Q1 2012	
	Income	Expense	Income	Expense
Non-financial companies	24,353	1,288	30,718	988
State	7,659	6,344	6,888	5,635
Banks	1,880	6,266	3,448	9,970
Other financial organisations	1,419	2,208	1,525	2,363
Households	13,221	12,643	16,878	12,151
Foreign persons	3,158	481	5,066	364
Non-profit household service providers	51	91	80	74
Total	51,741	29,321	64,603	31,545
Net interest income	22,420		33,058	

1.2 Analysis of interest income and expense by type of assets and liabilities

	Q1 2013		Q1 2012	
	Current	Non-current	Current	Non-current
Interest income				
Balances with the central bank (measured at amortised cost)	155	0	146	0
Financial assets held for trading	43	0	3	0
Financial assets designated at fair value through profit or loss	0	0	0	30
Available-for-sale financial assets	3,177	1,427	3,396	1,170
Loans and advances (including finance leases and other financial assets)	13,002	29,299	17,929	37,164
Held-to-maturity financial assets	231	4,328	252	4,332
Other financial assets	79	0	159	22
Total by maturity	16,687	35,054	21,885	42,718
Total 51,741			64,603	
Interest expense				
Financial liabilities due to the central bank (measured at amortised cost)	0	872	120	976
Financial liabilities held for trading	0	42	0	3
Financial liabilities measured at amortised cost	6,755	21,566	6,910	23,485
Other financial liabilities (including finance leases)	86	0	51	0
Total by maturity	6,841	22,480	7,081	24,464
Total 29,321			31,545	
Net interest income	22,420		33,058	



2 Fee and commission income and expense

	Q1 2013	Q1 2012
Fee and commission income	22,073	23,507
Guarantees	943	1,173
Domestic payment transactions	11,661	12,807
Transactions under current accounts	2,895	2,528
Card operations	1,907	2,188
International payment transactions	750	560
Brokerage and agency services	102	63
Transactions in securities for customers	112	112
Lending operations	2,026	2,527
Safekeeping of objects and valuables	15	8
Other services	1,662	1,541
Fee and commission expense	7,894	8,608
Domestic banking services	1,125	1,170
Banking services abroad	355	435
Brokerage and agency services	144	125
Stock exchange transactions and other transactions in securities	110	112
Payment transactions	5,835	6,421
Other services	325	345
Net fee and commission income	14,179	14,899

3 Net gains/losses on financial assets and liabilities held for trading

	Q1 2013			Q1 2012		
	Gains	Losses	Net gains/(losses)	Gains	Losses	Net gains/(losses)
Trading in equity instruments	89	156	(67)	189	70	119
Trading in debt securities	6	0	6	0	0	0
Trading in foreign exchange (purchase/sale)	345	163	182	513	311	202
Trading in derivatives	2,115	830	1,285	1,772	5,264	(3,492)
– futures/forwards	1,759	567	1,192	1,592	5,074	(3,482)
– swaps	356	263	93	180	190	(10)
Total 2,555		1,149	1,406	2,474	5,645	(3,171)



4 Net gains/losses on financial assets and liabilities designated at fair value through profit or loss

	Q1 2013			Q1 2012		
	Gains	Losses	Net (losses)	Gains	Losses	Net gains
Financial assets designated at fair value through profit or loss	349	1,852	(1,503)	3,390	561	2,829
Total 349		1,852	(1,503)	3,390	561	2,829

5 Net exchange rate differences

	Q1 2013	Q1 2012
Foreign exchange gains	9,974	6,270
Foreign exchange losses	10,906	6,614
Net foreign exchange (loss)	(932)	(344)

6 Administration costs

	Q1 2013	Q1 2012
Staff expenses	14,307	15,167
Gross salaries	10,928	11,259
Social security and pension insurance contribution	1,976	2,064
Pay for annual leave	351	749
Other staff costs	1,052	1,095
General and administrative expenses	9,974	9,489
Cost of material	1,030	1,055
Cost of services	6,194	5,369
Maintenance costs of fixed assets	1,667	1,713
Advertising costs	473	767
Other administrative costs	610	585
Total administration costs	24,281	24,656

7 Provisions

	Q1 2013	Q1 2012
Provisions for off-balance sheet liabilities	(2,636)	513
Provisions for tax claims and other pending legal issues	(219)	0
Other provisions	116	94
Total	(2,739)	607



8 Impairment losses

	Q1 2013	Q1 2012
Financial assets not measured at fair value through profit or loss	22,908	18,571
Other assets	(187)	(186)
Total impairment losses	22,721	18,385

8.1 Impairment of financial assets not measured at fair value through profit or loss

	Q1 2013	Q1 2012
Financial assets measured at cost	10,750	0
Available-for-sale financial assets designated at fair value	160	233
Loans and advances (including finance leases and other financial assets) measured at amortised cost	11,985	18,360
– loans and advances to banks	(27)	(2)
– loans and advances to customers	18,044	18,210
– other financial assets	(6,032)	152
Held-to-maturity financial assets measured at amortised cost	13	(22)
Total impairment of financial assets not measured at fair value through profit or loss	22,908	18,571

The impairment of financial assets measured at cost relates to Merkur shares.

9 Share of profits of associates accounted for using the equity method

	Q1 2013	Q1 2012
Moja naložba d.d.	55	109
Total	55	109

10 Income tax related to profit or loss from continuing operations

	Q1 2013	Q1 2012
Income tax related to continuing operations	86	688
Deferred tax related to continuing operations	(2,951)	438
Total	(2,865)	1,126



Notes to the statement of financial position items

11 Cash and balances with the central bank

	31.03.2013	31.12.2012
Cash in hand	64,419	59,839
Obligatory deposits with the central bank	243,618	153,025
Other deposits with the central bank	15,530	11,018
Total	323,567	223,882

Obligatory deposit funds are available to finance day-to-day operations and are therefore considered as cash equivalent.

11.1 Cash and cash equivalents

	31.03.2013	31.12.2012
Cash and balances with the central bank	323,567	223,882
Loans and advances to banks	103,043	108,640
Total	426,610	332,522

12 Financial assets held for trading

	31.03.2013	31.12.2012
Derivatives	1,861	1,178
Equity instruments	1,158	310
– of banks	58	59
– of other issuers	1,100	251
Debt securities	15	84
– of other issuers	15	84
Total	3,034	1,572
Quoted	1,168	394
Unquoted	1,866	1,178
Total	3,034	1,572

12.1 Movement in financial assets held for trading

	Q1 2013	2012
1 January	1,572	8,741
Increase during the year	2,873	12,841
– acquisition	2,152	12,490
– exchange rate differences	7	0
– change in fair value (recovery and reversal of recovery)	709	63
– other (deferred interest, realised gains)	5	288
Decrease during the year	1,411	20,010
– disposal (sale and redemption)	1,321	12,474
– change in fair value (impairment and reversal of recovery)	45	7,306
– exchange rate differences	0	16
– other (deferred interest, realised losses)	45	214
31 March/31 December	3,034	1,572



13 Financial assets designated at fair value through profit or loss

	31.03.2013	31.12.2012
Equity instruments	32,532	34,563
Total	32,532	34,563
Quoted	22,855	24,372
Unquoted	9,677	10,191
Total	32,532	34,563

13.1 Movement in financial assets designated at fair value through profit or loss

	Q1 2013	2012
1 January	34,563	38,475
Increase during the year	341	7,120
– acquisition	0	22
– change in fair value (recovery and reversal of impairment)	341	6,936
– deferred interest	0	34
– exchange rate differences	0	1
– other	0	127
Decrease during the year	2,372	11,032
– disposal (sale and redemption)	0	6,488
– change in fair value (impairment and reversal of recovery)	1,852	4,191
– interest received	0	120
– exchange rate differences	0	19
– other	520	214
31 March/31 December	32,532	34,563

14 Available-for-sale financial assets

14.1 Analysis by type and market segments

	31.03.2013	31.12.2012
Equity instruments designated at fair value	47,159	50,810
Equity instruments measured at cost	23,238	23,225
Debt securities	592,924	615,378
– issued by the state and the central bank	397,312	302,186
– issued by banks	155,062	176,662
– issued by other issuers	40,550	36,530
Total	663,321	689,413
Quoted	619,956	542,640
Unquoted	43,365	46,773
Total	663,321	689,413



14.2 Movement in available-for-sale financial assets

	Equity instruments		Debt securities	Total
	At fair value	At cost		
1 January 2013	50,810	23,225	515,378	589,413
Recognition of new financial assets	299	10,763	134,984	146,046
Interest	0	0	(3,263)	(3,263)
Net exchange rate differences	(4)	0	224	220
Net revaluation through equity	46	0	(10,183)	(10,137)
Net impairment through profit or loss (Note 20.1)	(160)	(10,750)	0	(10,910)
Derecognition of financial assets upon disposal	(3,865)	0	(40,999)	(44,864)
Derecognition of financial assets at maturity	0	0	(3,212)	(3,212)
Net gains/(losses) on sale	33	0	(5)	28
31 March 2013	47,159	23,238	592,924	663,321

	Equity instruments		Debt securities	Total
	At fair value	At cost		
1 January 2012	67,752	21,429	610,422	699,603
Recognition of new financial assets	234	4,596	124,141	128,971
Interest	0	0	(2,952)	(2,952)
Net exchange rate differences	(6)	0	(295)	(301)
Net revaluation through equity	5,544	0	24,160	29,704
Net impairment through profit or loss	(11,588)	(1,740)	1	(13,327)
Derecognition of financial assets upon disposal	(11,652)	(1,060)	(8,486)	(21,198)
Derecognition of financial assets at maturity	0	0	(230,434)	(230,434)
Net gains/(losses) on sale	526	0	(1,179)	(653)
31 December 2012	50,810	23,225	515,378	589,413

15 Loans and advances to banks

	31.03.2013	31.12.2012
Sight deposits	24,797	32,033
Current loans	86,741	102,067
Impairment of current loans	(2,605)	(2,585)
Non-current loans	30,645	31,186
Impairment of non-current loans	(288)	(293)
Total – net amount	139,290	162,408
Impairment	2,893	2,878
Total – gross amount	142,183	165,286



16 Loans and advances to customers

	31.03.2013	31.12.2012
Current loans	860,505	877,873
Impairment of current loans	(184,135)	(178,699)
Non-current loans	3,097,272	3,138,356
Impairment of non-current loans	(463,245)	(450,718)
Claims under guarantees	23,471	23,029
Impairment of claims under guarantees	(12,141)	(11,941)
Total – net amount	3,321,727	3,397,900
Impairment	659,521	641,358
Total – gross amount	3,981,248	4,039,258

16.1 Movement in impairment of loans and advances to customers

	Q1 2013	2012
1 January	641,358	443,321
Net impairment of principal	18,044	222,630
– additional impairment	47,637	362,044
– reversal of impairment	(29,593)	(139,414)
Additional impairment of interest	3,733	21,817
Additional impairment/reversal of impairment of fees	(14)	59
Write-offs of loans and advances to customers	(3,777)	(45,332)
Exchange rate differences	67	(298)
Other	110	(839)
31 March/31 December	659,521	641,358

17 Other financial assets

	31.03.2013	31.12.2012
Cheques	107	136
Claims for fees and commissions	2,124	2,210
Claims for advance payments	21	7
Accounts receivables	1,651	948
Surplus of financial assets arising from authorised transactions for customers	78	0
Other financial assets	66,272	69,651
Total – net amount	70,253	72,952
Impairment	4,031	10,053
Total – gross amount	74,284	83,005



17.1 Movement in impairment of other financial assets

	Q1 2013	2012
1 January	10,053	2,789
Net impairment of principal	(6,032)	7,530
– additional impairment	398	8,314
– reversal of impairment	(6,430)	(784)
Additional impairment of interest	3	18
Additional impairment of fees	18	242
Write-offs of other financial assets	(36)	(446)
Exchange rate differences	25	(80)
31 March/31 December	4,031	0,053

18 Held-to-maturity financial assets

	31.03.2013	31.12.2012
Debt securities	491,529	500,108
– current securities issued by the state and the central bank	26,788	37,787
– non-current securities issued by the state and the central bank	401,481	399,951
– non-current securities issued by banks and savings banks	50,396	50,172
– current securities issued by other issuers	4,133	3,566
– non-current securities issued by other issuers	8,731	8,632
Total	491,529	500,108
Quoted	487,396	496,543
Unquoted	4,133	3,565
Total	491,529	500,108

18.1 Movement in held-to-maturity financial assets

	Q1 2013	2012
1 January	500,108	449,605
Increase during the year	17,135	145,703
– acquisition	12,287	126,005
– gains	225	916
– reversal of impairment	0	52
– exchange rate differences	63	0
– other (deferred interest)	4,560	18,730
Decrease during the year	25,714	95,200
– redemption	22,991	83,226
– losses	302	974
– impairment	13	31
– other (interest received)	2,408	10,969
31 March/31 December	491,529	500,108



19 Financial liabilities measured at amortised cost

	31.03.2013	31.12.2012
Deposits	3,708,162	3,719,283
Loans	573,478	582,476
Debt securities	72,178	88,592
Subordinated liabilities	200,884	98,069
Other financial liabilities	52,777	40,097
Total	4,607,479	4,528,517

19.1 Deposits by type of customers and maturity

	31.03.2013	31.12.2012
Deposits from banks	96,178	107,077
– sight deposits	6,226	5,691
– current deposits	87,362	97,245
– non-current deposits	2,590	4,141
Deposits from customers	3,611,984	3,612,206
– sight deposits	1,315,512	1,330,981
– current deposits	898,109	827,365
– non-current deposits	1,398,363	1,453,860
Total	3,708,162	3,719,283

19.2 Loans by type of customers and maturity

	31.03.2013	31.12.2012
Loans from banks	567,005	576,004
– current loans	11,243	13,846
– non-current loans	555,762	562,158
Loans from customers	6,473	6,472
– non-current loans	6,473	6,472
Total	573,478	582,476



19.3 Subordinated liabilities

ISIN code	Currency	Date of maturity	Interest rate	31.03.2013	31.12.2012
Subordinated debt					
Adria Bank AG	EUR	perpetual; call option on each 28.12.	variable	1,330	1,250
Hybrid instruments as a component of additional own funds					
Pošta Slovenije d.o.o.: contributions 1 to 4	EUR	perpetual	6M EURIBOR + 2.70%	6,706	6,740
Pošta Slovenije d.o.o.: 5th contribution	EUR	perpetual	6M EURIBOR + 3.50%	2,006	1,988
ISIN: XS0270427163	EUR	perpetual; call option after 05.10.2016	3M EURIBOR + 1.60%	50,446	50,222
ISIN: XS0325446903	EUR	perpetual; call option booked as executable on 31.12.2030	3M EURIBOR + 4.00%	12,044	11,920
Hybrid instruments as a component of original own funds					
ISIN: SI0022103046	EUR	perpetual; call option after 29.12.2014	8.70%	25,935	25,949
Hybrid loan facility - CoCo	EUR	perpetual; the first possible repayment date is 30.06.2013; if either the Group's basic equity capital ratio falls to below 5.125% or if its Core Tier I capital ratio falls to below 7%, the hybrid loan facility shall be converted into KBMR shares	10.00%	102,417	0
Total				200,884	98,069

Subordinated liabilities are included in the calculation of capital adequacy. Capital risk is disclosed in Note 27.

19.4 Other financial liabilities

	31.03.2013	31.12.2012
Liabilities for fees and commissions	44	70
Liabilities for gross salaries of employees	3,373	3,462
Liabilities to suppliers	2,291	5,733
Liabilities related to card transactions	6,961	5,420
Liabilities related to ATM transactions	1,985	2,036
Liabilities related to funds of customers provided for payments abroad	7,142	4,733
Liabilities related to cash transactions	13,784	665
Liabilities from participation in profits – dividends	75	75
Accruals and deferred income	6,974	7,129
Surplus arising from authorised transactions for customers	3	73
Other financial liabilities	10,145	10,701
Total other financial liabilities	52,777	40,097



20 Provisions

	Provisions for tax claims and other pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2013	4,400	7,598	34,143	489	46,630
Net provisions made during the year	(219)	116	(2,636)	0	(2,739)
– provisions made during the year	0	125	3,936	0	4,061
– provisions reversed during the year	(219)	(9)	(6,572)	0	(6,800)
Provisions used during the year	0	(39)	0	0	(39)
Exchange rate differences	(9)	(17)	3	0	(23)
31 March 2013	4,172	7,658	31,511	489	43,829

	Provisions for tax claims and other pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2012	3,551	7,737	26,456	508	38,252
Net provisions made during the year	874	566	7,650	(18)	9,072
– provisions made during the year	968	957	33,308	5	35,238
– provisions reversed during the year	(94)	(391)	(25,658)	(23)	(26,166)
Provisions used during the year	0	(608)	0	(1)	(609)
Exchange rate differences	(25)	(97)	37	0	(85)
31 December 2012	4,400	7,598	34,143	489	46,630

21 Revaluation reserves

	31.03.2013	31.12.2012
Revaluation reserves in respect of available-for-sale financial assets	(7,134)	(1,149)
– revaluation	(8,473)	(1,322)
– deferred taxes	1,339	173
Total	(7,134)	(1,149)

21.1 Movement in revaluation reserves

	Q1 2013	2012
1 January	(1,149)	(25,096)
Net change in valuation of available-for-sale financial assets	(7,150)	29,804
– gains/(losses) recognised in revaluation reserves	(7,144)	19,050
– losses transferred from revaluation reserves to profit or loss	(6)	10,754
Exchange rate differences	(1)	(1)
Net change in deferred taxes	1,166	(5,856)
31 March/31 December	(7,134)	(1,149)



22 Reserves from profit

	31.03.2013	31.12.2012
Regulatory reserves	13,616	13,616
Reserves for treasury shares	1,412	1,412
Statutory reserves	174,184	174,184
Other reserves from profit	100,529	100,529
Total	289,741	289,741

Other notes

23 Commitments and contingent liabilities by type

	31.03.2013		
	Current	Non-current	Total
Financial guarantees	50,519	47,870	98,389
Service guarantees	98,228	92,492	190,720
Total guarantees	148,747	140,362	289,109
Unsecured letters of credit	0	0	0
Approved and undrawn loans	92,670	6,634	99,304
Approved and undrawn overdrafts	181,769	1,028	182,797
Approved credit lines	8,391	0	8,391
Other	8,785	0	8,785
Total commitments and contingent liabilities	291,615	7,662	299,277
Derivatives	194,114	5,674	199,788
Total	634,476	153,698	788,174

	31.12.2012		
	Current	Non-current	Total
Financial guarantees	52,100	46,240	98,340
Service guarantees	104,381	92,290	196,671
Total guarantees	156,481	138,530	295,011
Unsecured letters of credit	21	0	21
Approved and undrawn loans	93,004	1,383	94,387
Approved and undrawn overdrafts	182,164	560	182,724
Approved credit lines	8,557	0	8,557
Other	6,989	0	6,989
Total commitments and contingent liabilities	290,714	1,943	292,657
Derivatives	196,132	5,636	201,768
Total	643,348	146,109	789,457



24 Related party transactions

24.1 Statement of financial position and off-balance sheet items

	Associates	
	31.03.2013	31.12.2012
Assets		
Loans and advances given (gross amount)	1	3
– loans and advances to customers	1	2
– other financial assets	0	1
Investments in securities	2,237	2,237
– equity instruments	2,237	2,237
Liabilities		
Deposits and loans received	1,743	1,696
– deposits and loans from customers	1,732	1,686
– other financial liabilities	11	10
Subordinated liabilities	12	27
Off-balance sheet items	4	1,686

	Key management personnel		Other related persons	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Assets				
Loans and advances given (gross amount)	391	323	39,021	13,292
– loans and advances to banks	0	0	182	0
– loans and advances to customers	391	322	38,488	13,289
– other financial assets	0	1	351	3
Investments in securities	0	0	0	382
– equity instruments	0	0	0	382
Liabilities				
Deposits and loans received	817	684	2,676	3,459
– deposits and loans from banks	0	0		0
– deposits and loans from customers	817	677	2,675	3,370
– other financial liabilities	0	7	1	89
Other liabilities	0	3	0	0
Off-balance sheet items	90	90	631	939

Transactions with related persons are conducted on an arm's length basis.

24.2 Statement of income

	Associates	
	Q1 2013	Q1 2012
Net interest income	(22)	(348)
Dividend income	0	0
Net fee and commission income	2	191
Cost of services	(8)	(156)
Individual impairments	0	0
Impairment of investments	0	0
Write-offs	0	0
Total	(28)	(313)



	Key management personnel		Other related persons	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Net interest income	(4)	0	464	116
Net fee and commission income	0	0	(122)	16
Cost of services	(67)	(46)	(500)	(228)
Individual impairments	0	0	(130)	0
Write-offs	0	0	0	0
Total (71)		(46)	(288)	(96)

24.3 Loans and guarantees given

	Management Board members		Supervisory Board members		Other Group employees on individual contract	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Loans	14	7	55	58	2,776	2,807
Average interest rate on loans (%)	8.34	8.59	3.69	4.18	3.38	3.67
Repayments	1	0	3	10	155	682

25 Exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions

Exposure to:	31.03.2013	31.12.2012
Bank of Slovenia	230,892	140,764
Republic of Slovenia	806,388	721,036
State-owned institutions	584,888	578,126
Total exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions	1,622,168	1,439,926
Share in total assets (%)	30.11	27.06
Off-balance sheet items covered by collateral provided by the Bank of Slovenia or the Republic of Slovenia	12,231	11,664
Total assets	5,387,779	5,321,810



26 Credit risk management

Analysis of exposure to credit risk

	Loans to customers		Loans to banks	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Net disbursed loans	3,321,727	3,397,900	139,290	162,408
Individual impairment				
Gross amount	1,352,857	1,326,563	32,526	37,781
Impairment	(563,905)	(547,759)	(2,893)	(2,878)
Net amount	788,952	778,804	29,633	34,903
Collective impairment				
Credit rating A	1,254,555	1,313,927	0	0
Credit rating B	845,629	890,162	0	0
Credit rating C	384,573	370,368	0	0
Credit rating D	22,833	20,319	0	0
Credit rating E	46,517	41,297	0	0
Gross amount	2,554,107	2,636,073	0	0
Impairment	(95,616)	(93,599)	0	0
Net amount	2,458,491	2,542,474	0	0
Net non-impaired loans	74,284	76,622	109,657	127,505
Total net loans	3,321,727	3,397,900	139,290	162,408

Past due and unpaid claims

	31.03.2013				Total
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Banks	0	0	0	2,619	2,619
State	5	5	0	3	13
Legal entities	34,901	34,860	40,108	864,163	974,032
Households	4,420	5,699	1,397	54,263	65,779
Total 39,326		40,564	41,505	921,048	1,042,443

	31.12.2012				Total
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	
Banks	0	0	0	2,585	2,585
State	149	1	0	2	152
Legal entities	51,010	21,044	13,605	797,255	882,914
Households	4,801	2,909	923	42,477	51,110
Total 55,960		23,954	14,528	842,319	936,761



NPLs in the Group's total loan portfolio

	31.03.2013	31.12.2012
Gross NPLs (D, E)*	1,060,914	933,694
Impairment losses for NPLs (D, E)	530,111	476,458
Net NPLs (D, E)	530,803	457,236
Total gross loan portfolio	4,123,431	4,204,544
Total net loan portfolio	3,461,017	3,560,308
Gross NPLs/Total gross loan portfolio (%)	25.73	22.21
Net NPLs/Total net loan portfolio (%)	15.34	12.84

*Gross NPLs (D, E) include collectively impaired loans, which are classified in credit rating categories D and E and for which prime collateral has not been provided, and individually impaired loans, the basic credit rating of which is D or E.

Analysis of loans and the percentage of NPLs by industry sectors

Industry sector	31.03.2013			31.12.2012		
	Total loans	NPLs	Share of NPLs (%)	Total loans	NPLs	Share of NPLs (%)
Households	1,000,064	37,245	3.72	1,016,742	31,257	3.07
Agriculture and hunting, forestry, fishing	41,497	8,699	20.96	42,582	8,637	20.28
Mining	4,641	3,850	82.96	4,712	3,726	79.07
Manufacturing industry	828,999	228,071	27.51	841,441	217,135	25.81
Electricity, gas and steam supply	105,691	0	0.00	106,380	0	0.00
Water supply, waste and sewage management, rehabilitation of the environment	15,218	2,868	18.85	15,071	3,003	19.93
Construction	455,196	303,040	66.57	457,956	259,989	56.77
Trade, maintenance and repair of motor vehicles	444,222	113,934	25.65	446,943	85,496	19.13
Transportation and storage	77,409	11,228	14.50	83,561	13,648	16.33
Accommodation and food service activities	152,735	43,180	28.27	157,061	40,573	25.83
Information and communication activities	88,706	40,727	45.91	89,806	40,354	44.93
Financial intermediation	423,348	101,531	23.98	458,520	101,997	22.24
Real estate activities	140,803	84,968	60.35	140,527	62,619	44.56
Professional, scientific and technical activities	180,534	63,231	35.02	182,742	52,162	28.54
Other various business activities	16,703	6,205	37.15	17,561	6,277	35.74
Public administration and defence services, compulsory social security activities	19,838	0	0.00	19,938	221	1.11
Education	5,075	419	8.26	5,192	412	7.94
Health and welfare security	34,483	96	0.28	33,871	113	0.33
Arts, entertainment and recreation	65,209	3,505	5.38	68,913	3,580	5.19
Other activities	23,060	8,117	35.20	15,025	2,495	16.61
Total gross loans	4,123,431	1,060,914	25.73	4,204,544	933,694	22.21



27 Composition of regulatory capital and capital requirements

	31.03.2013	31.12.2012
Original own funds		
Paid-up share capital	40,815	40,814
(-) Treasury shares	(1,348)	(1,301)
Share premium	165,775	165,775
Reserves and retained earnings or loss	10,435	216,105
(-) Interim result used in the calculation (unaudited)	(4,928)	(203,773)
Revaluation excesses (PP) – prudential filters	(5,597)	(5,688)
Non-controlling interest	38,985	43,037
Hybrid instruments as a component of original own funds	125,930	125,930
(-) Intangible long-term assets	(35,867)	(37,485)
(-) Other country specific deductions	11,345	11,360
Total	345,545	354,774
Additional own funds I		
Hybrid instruments and preferential cumulative shares	38,254	38,254
Subordinated debt I	1,000	1,000
Other	5,390	5,446
Total	44,644	44,700
(-) Deductions from original own funds and additional own funds I		
(-) Deductions from original own funds	(1,558)	(1,545)
(-) Deductions from additional own funds I	(1,558)	(1,545)
Total	(3,116)	(3,090)
Total equity (for solvency purposes)	387,073	396,384
Capital requirements		
Capital requirements for credit risk	307,396	313,058
Central governments and central banks	0	0
Regional governments and local authorities	341	327
Administrative bodies	420	378
Institutions	16,249	15,674
Corporates	118,668	125,971
Retail banking	72,308	72,871
Secured by real estate	4,209	4,324
Past due items	14,904	19,942
Items belonging to regulatory high-risk categories	47,560	41,215
Collective investment undertakings	1,501	1,812
Other items	31,236	30,544
Total capital requirements for market risks	3,160	3,063
Debt securities	407	578
Equity instruments	666	532
Foreign exchange	2,087	1,953
Capital requirement for operational risk	27,791	29,796
Total	338,347	345,917
Total capital adequacy ratio	9.15%	9.17%
Tier I capital ratio	8.13%	8.17%
Core Tier I capital ratio	5.16%	5.26%
Core Tier I capital ratio (EBA methodology)	7.52%	7.57%



28 Fair value of financial assets and financial liabilities

	31.03.2013		31.12.2012	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and balances with the central bank	323,567	323,567	223,882	223,882
Financial assets held for trading	3,034	3,034	1,572	1,572
Financial assets designated at fair value through profit or loss	32,532	32,532	34,563	34,563
Available-for-sale financial assets	663,321	663,321	589,413	589,413
Loans and advances to banks	139,290	139,140	162,408	162,259
Loans and advances to customers	3,321,727	3,331,294	3,397,900	3,408,314
Other financial assets	70,253	70,253	72,952	72,952
Held-to-maturity financial assets	491,529	489,782	500,108	501,743
Financial liabilities				
Financial liabilities due to the central bank	480,037	480,943	485,149	486,931
Financial liabilities held for trading	1,476	1,476	1,658	1,658
Deposits from banks	96,178	96,463	107,077	107,563
Deposits from customers	3,611,984	3,632,487	3,612,206	3,636,160
Loans from banks	567,005	567,866	576,004	578,304
Loans from customers	6,473	6,476	6,472	6,479
Debt securities	72,178	79,321	88,592	95,790
Subordinated liabilities	200,884	202,537	98,069	99,729
Other financial liabilities	52,777	52,777	40,097	40,097



29 Reporting by operating segments

Analysis by operating segments as of 31.03.2013

	Banking	Leasing	Fund management	Real estate activity	Other	Total	Inter-segment relationship	Relationship to third parties
A. Net income/expense	35,078	102	1,409	956		36,690	(129)	36,819
Interest and similar income	53,730	1,458	0	172	2	55,362	3,621	51,741
Interest and similar expense	(29,823)	(2,523)	(20)	(576)	0	(32,942)	(3,621)	(29,321)
Net interest income	23,907	(1,065)	(20)	(404)	2	22,420	0	22,420
Dividend income	7	0	0	0	0	7	0	7
Fee and commission income	20,749	29	1,577	3	0	22,358	285	22,073
Fee and commission expense	(7,873)	(57)	(195)	(5)	0	(8,130)	(236)	(7,894)
Net fee and commission income	12,876	(28)	1,382	(2)	0	14,228	49	14,179
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	141	1	42	324	0	508	0	508
Net gains on financial assets and liabilities held for trading	1,183	0	0	0	0	1,183	(223)	1,406
Net gains/(losses) on financial assets (and liabilities) designated at fair value through profit or loss	(1,511)	0	8	0	0	(1,503)	0	(1,503)
Net exchange rate differences	(786)	(146)	0	0	0	(932)	0	(932)
Net gains/(losses) on derecognition of assets excluding non-current assets held for sale	34	(2)	0	0	0	32	0	32
Other net operating income/(loss)	(773)	1,342	(3)	177	4	747	45	702
B. Other items by segments	(46,892)	(1,006)	(792)	(357)	(1)	(49,048)	(896)	(48,152)
Administration costs	(22,869)	(630)	(534)	(343)	(1)	(24,377)	(96)	(24,281)
Depreciation and amortisation	(3,506)	(249)	(258)	(13)	0	(4,026)	0	(4,026)
Provisions	2,346	0	0	0	0	2,346	(393)	2,739
Impairment losses	(22,945)	(127)	0	(1)	0	(23,073)	(352)	(22,721)
Share of profits of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	(55)	55
Net gains from non-current assets held for sale and liabilities associated therewith	82	0	0	0	0	82	0	82
C. Profit or loss								
Profit/(loss) from continuing operations	(11,814)	(904)	617	(262)	5	(12,358)	(1,025)	(11,333)
Income tax related to profit or loss from continuing operations	3,084	20	0	(54)	(1)	3,049	184	2,865
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(8,730)	(884)	617	(316)	4	(9,309)	(841)	(8,468)
D. Segment assets and liabilities								
Total assets	5,541,468	210,372	15,623	63,832	202	5,831,497	443,718	5,387,779
- non-current assets held for sale and discontinued operations	282	1,970	0	0	0	2,252	0	2,252
- investments in associates and joint ventures accounted for using the equity method	55,980	33	0	0	0	56,013	52,897	3,116
Liabilities (excluding equity) by segments	5,261,542	254,831	1,817	79,028	1	5,597,219	446,164	5,151,055
Total equity	279,926	(44,459)	13,806	(15,196)	201	234,278	(2,446)	236,724
Increase in property, plant and equipment and intangible assets	1,460	35	15	4	0	1,514	0	1,514



Analysis by operating segments as of 31.03.2012

	Banking	Leasing	Fund management	Real estate activity	Other	Total	Inter-segment relationship	Relationship to third parties
A. Net income/expense	47,061,710		1,099	331,515		49,206	214	48,992
Interest and similar income	65,951	2,143	17	243	1	68,355	3,752	64,603
Interest and similar expense	(32,095)	(2,743)	(45)	(414)	0	(35,297)	(3,752)	(31,545)
Net interest income	33,856	(600)	(28)	(171)	1	33,058	0	33,058
Dividend income	0	0	0	0	0	0	0	0
Fee and commission income	22,476	54	1,257	7	0	23,794	287	23,507
Fee and commission expense	(8,616)	(29)	(170)	(27)	0	(8,842)	(234)	(8,608)
Net fee and commission income	13,860	25	1,087	(20)	0	14,952	53	14,899
Realised gains/(losses) on financial assets and liabilities not measured at fair value through profit or loss	291	0	0	(1)	0	290	0	290
Net (losses) on financial assets and liabilities held for trading	(3,125)	0	0	0	0	(3,125)	46	(3,171)
Net gains on financial assets (and liabilities) designated at fair value through profit or loss	2,810	0	19	0	0	2,829	0	2,829
Net exchange rate differences	(388)	(22)	0	66	0	(344)	0	(344)
Net gains on derecognition of assets excluding non-current assets held for sale	40	8	0	5	0	53	0	53
Other net operating income/(loss)	(283)	1,299	21	452	4	1,493	115	1,378
B. Other items by segments	(43,401)	(2,787)	(755)	(498)	(1)	(47,442)	(43)	(47,399)
Administration costs	(23,117)	(654)	(567)	(485)	(1)	(24,824)	(168)	(24,656)
Depreciation and amortisation	(3,432)	(256)	(187)	(12)	0	(3,887)	0	(3,887)
Provisions	(377)	0	(1)	0	0	(378)	229	(607)
Impairment losses	(16,502)	(1,877)	0	(1)	0	(18,380)	5	(18,385)
Share of profits of associates and joint ventures accounted for using the equity method	0	0	0	0	0	0	(109)	109
Net gains from non-current assets held for sale and liabilities associated therewith	27	0	0	0	0	27	0	27
C. Profit or loss								
Profit/(loss) from continuing operations	3,660	(2,077)	344	(167)	4	1,764	171	1,593
Income tax related to profit or loss from continuing operations	(1,026)	(20)	(70)	(51)	(1)	(1,168)	(42)	(1,126)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	2,634	(2,097)	274	(218)	3	596	129	467
Total profit after tax from discontinued operations	0	0	0	0	0	0	(978)	978
D. Segment assets and liabilities								
Total assets	5,954,567	279,395	17,796	62,664	189	6,314,611	527,542	5,787,069
- non-current assets held for sale and discontinued operations	445	5,929	0	0	0	6,374	(2)	6,376
- investments in associates and joint ventures accounted for using the equity method	101,967	33	0	0	0	102,000	51,715	50,285
Liabilities (excluding equity) by segments	5,456,212	277,917	3,823	75,239	2	5,813,193	479,467	5,333,726
Total equity	498,355	1,478	13,973	(12,575)	187	501,418	48,075	453,343
Increase in property, plant and equipment and intangible assets	2,405	316	6,846	6	0	9,573	0	9,573



30 Events after the statement of financial position date

On 18 April 2013, the share capital of Nova KBM was increased by an in-kind contribution of €100,000,000 via the issuance of new shares into which a state-provided hybrid loan facility was converted. Following the conversion, the share capital of Nova KBM now amounts to €140,814,000 and is split into 137,645,135 ordinary freely transferable registered no-par value shares with voting rights. New and existing shares are equal in all respects and are of the same class.

On 25 April 2013, Nova KBM received the remaining proceeds from the sale of its equity stake in Zavarovalnica Maribor, totalling €50,034,000.



UNAUDITED INTERIM FINANCIAL REPORT OF NOVA KBM d.d.

JANUARY – MARCH 2013



Interim Statement of Income – Nova KBM d.d.

€000

ITEM DESCRIPTION	Notes	Three months ended 31.03.2013	Three months ended 31.03.2012
Interest income	1	41,456	49,710
Interest expense	1	(24,886)	(27,253)
Net interest income	1	16,570	22,457
Fee and commission income	2	10,541	11,634
Fee and commission expense	2	(670)	(851)
Net fee and commission income	2	9,871	10,783
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	-	148	290
Net gains/(losses) on financial assets and liabilities held for trading	3	1,082	(3,278)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	4	(1,511)	2,811
Net exchange rate differences	5	(871)	978
Net gains/(losses) on derecognition of assets excluding non-current assets held for sale	-	33	(21)
Other net operating (loss)	-	(591)	(150)
Administration costs	6	(15,962)	(16,504)
Depreciation and amortisation	-	(2,878)	(2,902)
Provisions	7	2,296	(359)
Impairment losses	8	(14,454)	(13,355)
Net gains from non-current assets held for sale and liabilities associated therewith	-	82	27
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-	(6,185)	777
Income tax related to profit or loss from continuing operations	9	1,592	(241)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	-	(4,593)	536
NET PROFIT/(LOSS) FOR THE PERIOD	-	(4,593)	536
Basic earnings/(loss) per share (€)	-	(0.12)	0.01
Diluted earnings/(loss) per share (€)	-	(0.12)	0.01

The accompanying notes form an integral part of these financial statements.



Interim Statement of Income – Nova KBM d.d. (by quarter)

€000

ITEM DESCRIPTION	2013	2012			
	Q1	Q4	Q3	Q2	Q1
Interest income	41,456	40,050	41,888	45,378	49,710
Interest expense	(24,886)	(24,734)	(26,707)	(26,596)	(27,253)
Net interest income	16,570	15,316	15,181	18,782	22,457
Dividend income	0	(2,028)	3,331	2,061	0
Fee and commission income	10,541	11,983	11,257	11,491	11,634
Fee and commission expense	(670)	(1,488)	(1,150)	(1,141)	(851)
Net fee and commission income	9,871	10,495	10,107	10,350	10,783
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	148	23,910	133	217	290
Net gains/(losses) on financial assets and liabilities held for trading	1,082	(2,796)	179	(2,735)	(3,278)
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(1,511)	1,226	859	(2,263)	2,811
Net exchange rate differences	(871)	127	(561)	172	978
Net gains/(losses) on derecognition of assets excluding non-current assets held for sale	33	(4)	(2)	1	(21)
Other net operating (loss)	(591)	(645)	(159)	(113)	(150)
Administration costs	(15,962)	(19,351)	(17,787)	(16,515)	(16,504)
Depreciation and amortisation	(2,878)	(3,042)	(3,030)	(3,012)	(2,902)
Provisions	2,296	(7,326)	2,512	(4,774)	(359)
Impairment losses	(14,454)	(166,129)	(72,643)	(42,911)	(13,355)
Net gains from non-current assets held for sale and liabilities associated therewith	82	10	276	84	27
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(6,185)	(150,237)	(61,604)	(40,656)	777
Income tax related to profit or loss from continuing operations	1,592	9,851	(26)	1,496	(241)
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(4,593)	(140,386)	(61,630)	(39,160)	536
Total profit after tax from discontinued operations	0	37,385	0	0	0
NET PROFIT/(LOSS) FOR THE PERIOD	(4,593)	(103,001)	(61,630)	(39,160)	536
Basic earnings/(loss) per share (€)	(0.12)	(2.63)	(1.58)	(1.00)	0.01
Diluted earnings/(loss) per share (€)	(0.12)	(2.63)	(1.58)	(1.00)	0.01

The accompanying notes form an integral part of these financial statements.



Interim Statement of Other Comprehensive Income – Nova KBM d.d.

€000

ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	(4,593)	536
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(2,961)	15,066
Available-for-sale financial assets	(3,483)	18,832
Valuation gains/(losses) taken to equity	(3,483)	18,832
Income tax related to components of other comprehensive income	522	(3,766)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD AFTER TAX	(7,554)	15,602

The accompanying notes form an integral part of these financial statements.



Interim Statement of Other Comprehensive Income – Nova KBM d.d. (by quarter)

€000

ITEM DESCRIPTION	2013	2012			
	Q1	Q4	Q3	Q2	Q1
NET PROFIT/(LOSS) FOR THE PERIOD AFTER TAX	(4,593)	(103,001)	(61,630)	(39,160)	536
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER TAX	(2,961)	12,016	1,043	(6,036)	15,066
Available-for-sale financial assets	(3,483)	14,537	1,257	(6,861)	18,832
Valuation gains/(losses) taken to equity	(3,483)	4,081	1,009	(6,861)	18,832
Transferred to profit or loss	0	10,456	248	0	0
Income tax related to components of other comprehensive income	522	(2,521)	(214)	825	(3,766)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD AFTER TAX	(7,554)	(90,985)	(60,587)	(45,196)	15,602

The accompanying notes form an integral part of these financial statements.



Interim Statement of Financial Position – Nova KBM d.d.

€000

ITEM DESCRIPTION	Notes	31.03.2013	31.12.2012
Cash and balances with the central bank	10	236,310	151,124
Financial assets held for trading	11	2,004	1,178
Financial assets designated at fair value through profit or loss	12	32,532	34,043
Available-for-sale financial assets	13	467,755	417,102
Loans and advances	-	3,061,927	3,127,450
– loans and advances to banks	14	167,186	169,382
– loans and advances to customers	15	2,832,938	2,891,136
– other financial assets	16	61,803	66,932
Held-to-maturity financial assets	17	378,718	397,130
Non-current assets and disposal groups classified as held for sale and discontinued operations	-	282	310
Property, plant and equipment	-	61,434	62,004
Investment property	-	1,660	1,660
Intangible assets	-	21,891	23,381
Investments in the equity of subsidiaries, associates and joint ventures accounted for using the equity method	-	55,980	55,980
Tax assets	-	37,212	35,100
– current tax assets	-	2	4
– deferred tax assets	-	37,210	35,096
Other assets	-	32,636	32,106
TOTAL ASSETS		- 4,390,341	4,338,568
Financial liabilities due to the central bank	-	424,433	423,646
Financial liabilities held for trading	-	3,477	3,412
Financial liabilities measured at amortised cost	18	3,724,823	3,674,360
– deposits from banks	18	49,866	53,880
– deposits from customers	18	2,872,995	2,910,847
– loans from banks	18	497,774	501,368
– loans from customers	18	6,471	6,470
– debt securities	-	79,815	88,591
– subordinated liabilities	18	190,937	88,190
– other financial liabilities	18	26,965	25,014
Financial liabilities associated to transferred assets	-	9,813	0
Provisions	19	38,720	41,033
Other liabilities	-	4,059	3,548
TOTAL LIABILITIES		- 4,205,325	4,145,999
Share capital	-	40,815	40,814
Share premium	-	165,775	165,775
Revaluation reserves	20	(5,053)	(2,092)
Reserves from profit	21	275,044	275,044
Retained loss (including net loss for the financial year)	-	(291,565)	(286,972)
TOTAL SHAREHOLDERS' EQUITY		- 185,016	192,569
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		- 4,390,341	4,338,568

The accompanying notes form an integral part of these financial statements.



Interim Statement of Cash Flows – Nova KBM d.d.

€000

Designation	ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
a)	Net profit/(loss) before tax	(6,185)	777
	Depreciation and amortisation	2,878	2,902
	Net (gains)/losses from exchange rate differences	871	(978)
	Net (gains)/losses from held-to-maturity financial assets	77	(146)
	Net (gains)/losses from the sale of tangible assets and investment properties	(33)	21
	Other (gains) from investing activities	(3,481)	(3,438)
	Other losses from financing activities	2,764	2,719
	Net unrealised (gains) from non-current assets held for sale and discontinued operations and liabilities associated therewith	(82)	(27)
	Other adjustments to total profit or loss before tax	12,158	13,714
	Cash flow from operating activities before changes in operating assets and liabilities	8,967	15,544
b)	(Increase)/decrease in operating assets (excluding cash equivalents)	(952)	140,452
	Net (increase)/decrease in financial assets held for trading	(826)	2,825
	Net decrease in financial assets designated at fair value through profit or loss	1,511	590
	Net (increase)/decrease in available-for-sale financial assets	(65,064)	114,583
	Net decrease in loans and advances	63,683	22,770
	Net decrease in non-current assets held for sale	274	37
	Net (increase) in other assets	(530)	(353)
	(Decrease) in operating liabilities	(41,722)	(48,764)
	Net increase in financial liabilities to the central bank	787	50,480
	Net increase in financial liabilities held for trading	65	1,597
	Net (decrease) in deposits and loans measured at amortised cost	(44,105)	(118,756)
	Net increase/(decrease) in debt securities in issue measured at amortised cost	(8,776)	19,785
	Net increase/(decrease) in other liabilities	10,307	(1,870)
d)	Cash flow from operating activities (a+b+c)	(33,707)	107,232
f)	Net cash flow from operating activities (d+e)	(33,707)	107,232



€000

Designation	ITEM DESCRIPTION	Three months ended 31.03.2013	Three months ended 31.03.2012
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
a)	Receipts from investing activities	23,188	2,380
	Receipts from the sale of tangible assets and investment properties	126	19
	Receipts from non-current assets or liabilities held for sale	246	32
	Receipts from the sale of held-to-maturity financial assets	21,816	2,329
	Other receipts from investing activities	1,000	0
b)	Cash payments on investing activities	(2,672)	(70,293)
	(Cash payments to acquire tangible assets and investment properties)	(2,028)	(1,262)
	(Cash payments to acquire intangible assets)	(644)	(906)
	(Cash payments to acquire held-to-maturity financial assets)	0	(68,125)
c)	Net cash flow from investing activities (a+b)	20,516	(67,913)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
a)	Cash proceeds from financing activities	100,000	0
	Cash proceeds from subordinated liabilities issued	100,000	0
b)	Cash payments on financing activities	0	(405)
	(Dividends paid)	0	(2)
	(Repayment of subordinated liabilities)	0	(403)
c)	Net cash flow from financing activities (a+b)	100,000	(405)
D.	Effects of change in exchange rates on cash and cash equivalents	1,101	(1,215)
E.	Net increase in cash and cash equivalents (Af+Bc+Cc)	86,809	38,914
F.	Opening balance of cash and cash equivalents	220,530	200,933
G.	Closing balance of cash and cash equivalents (D+E+F)	308,440	238,632

Reconciliation of cash and cash equivalents with the statement of financial position items as of 31 March 2013 is presented in Note 10.

The balance of cash and cash equivalents as of 31 March 2012 amounted to €238,632,000 and was made up of cash and balances with the central bank, in the amount of €86,053,000, and loans and advances to banks with original maturity of up to three months, in the amount of €152,579,000.

Cash flows from interest, dividends and participation in profits

€000

	Three months ended 31.03.2013	Three months ended 31.03.2012
Interest paid	(29,120)	(19,223)
Interest received	35,181	53,783
Dividends paid	0	(2)

The accompanying notes form an integral part of these financial statements.



Interim Statement of Changes in Equity – Nova KBM d.d.

Interim Statement of Changes in Equity for three months ended 31.03.2013

€000

ITEM DESCRIPTION	Share capital	Share premium	Revaluation reserves	Reserves from profit	Retained (loss) (including net loss for the period)	Total shareholders' equity
OPENING BALANCE FOR THE REPORTING PERIOD	40,814	165,775	(2,092)	275,044	(286,972)	192,569
Total comprehensive income for the period after tax	0	0	(2,961)	0	(4,593)	(7,554)
Other	1	0	0	0	0	1
CLOSING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(5,053)	275,044	(291,565)	185,016

The figure in line 'Other' derives from rounding to thousands of euros.

The accompanying notes form an integral part of these financial statements.

Interim Statement of Changes in Equity for three months ended 31.03.2012

€000

ITEM DESCRIPTION	Share capital	Share premium	Revaluation reserves	Reserves from profit	Retained (loss) (including net profit for the period)	Total shareholders' equity
OPENING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(24,181)	275,044	(83,717)	373,736
Total comprehensive income for the period after tax	0	0	15,066	0	536	15,602
CLOSING BALANCE FOR THE REPORTING PERIOD	40,815	165,775	(9,115)	275,044	(83,181)	389,338

The accompanying notes form an integral part of these financial statements.



Notes to the financial statements of Nova KBM d.d.

The financial statements of Nova KBM d.d. for the three-month period ended 31 March 2013 were authorised for issue on 25 April 2013 by the Management Board of Nova KBM d.d.

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union.

The interim financial report is prepared in a condensed form and includes selected explanatory notes as requested in accordance with IFRSs.

The interim financial statements are unaudited.

Presentation and functional currency

Items included in the financial statements are presented in euro, which is the functional and presentation currency of the Bank.

All amounts in the financial statements and in notes to the financial statements are expressed in thousands of euros except where stated otherwise. Slight discrepancies in totals may occur due to rounding off of figures.

Significant accounting policies

Adopted accounting policies have been consistently applied in both reporting periods presented in these financial statements.

The accounting policies applied are presented in detail in the 2012 Annual Report of Nova KBM d.d.



Notes to the statement of income items

1 Interest income and expense

1.1 Analysis of interest by market segments

	Q1 2013		Q1 2012	
	Income	Expense	Income	Expense
Non-financial companies	19,109	1,049	23,059	828
State	5,052	6,034	4,881	5,332
Banks	1,893	4,956	2,623	8,638
Other financial organisations	2,671	1,936	2,877	1,843
Households	10,875	10,573	14,075	10,336
Foreign persons	1,814	263	2,128	214
Non-profit household service providers	42	75	67	62
Total 41,456		24,886	49,710	27,253
Net interest income		16,570	22,457	

1.2 Analysis of interest income and expense by type of assets and liabilities

	Q1 2013		Q1 2012	
	Current	Non-current	Current	Non-current
Interest income				
Balances with the central bank (measured at amortised cost)	47	0	95	0
Financial assets held for trading	43	0	3	0
Financial assets designated at fair value through profit or loss	0	0	0	30
Available-for-sale financial assets	2,690	0	3,153	0
Loans and advances (including finance leases and other financial assets)	8,163	27,020	9,420	33,560
Held-to-maturity financial assets	86	3,395	117	3,321
Other assets	12	0	11	0
Total by maturity	11,041	30,415	12,799	36,911
Total 41,456			49,710	
Interest expense				
Financial liabilities due to the central bank (measured at amortised cost)	0	788	117	862
Financial liabilities held for trading	0	42	0	3
Financial liabilities measured at amortised cost	4,185	19,871	4,621	21,650
Total by maturity	4,185	20,701	4,738	22,515
Total		24,886		27,253
Net interest income		16,570		22,457



2 Fee and commission income and expense

	Q1 2013	Q1 2012
Fee and commission income	10,541	11,634
Guarantees	814	1,036
Services provided to banks in the Group	212	224
Services provided to other Group subsidiaries	69	72
Domestic payment transactions	4,198	4,662
Transactions under current accounts	2,088	1,945
Card operations	1,419	1,699
International payment transactions	385	169
Brokerage and agency services	85	62
Transactions in securities for customers	107	109
Lending operations	1,130	1,460
Other services	22	192
Safekeeping of objects and valuables	12	4
Fee and commission expense	670	851
Domestic banking services	167	189
Banking services abroad	344	418
Brokerage and agency services	15	22
Stock exchange transactions and other transactions in securities	48	53
Payment transactions	90	156
Services of banks in the Group	5	12
Other services	1	1
Net fee and commission income	9,871	10,783

3 Net gains/losses on financial assets and liabilities held for trading

	Q1 2013			Q1 2012		
	Gains	Losses	Net gains/(losses)	Gains	Losses	Net gains/(losses)
Trading in equity instruments	4	45	(41)	127	11	116
Trading in foreign exchange (purchase/sale)	231	150	81	365	290	75
Trading in derivatives	2,020	978	1,042	1,772	5,241	(3,469)
– futures/forwards	1,759	567	1,192	1,592	5,074	(3,482)
– options	0	148	(148)	0	0	0
– swaps	261	263	(2)	180	167	13
Total 2,255		1,173	1,082	2,264	5,542	(3,278)

4 Net gains/losses on financial assets and liabilities designated at fair value through profit or loss

	Q1 2013			Q1 2012		
	Gains	Losses	Net (losses)	Gains	Losses	Net gains
Financial assets designated at fair value through profit or loss	341	1,852	(1,511)	3,369	558	2,811
Total 341		1,852	(1,511)	3,369	558	2,811



5 Net exchange rate differences

	Q1 2013	Q1 2012
Foreign exchange gains	5,968	3,717
Foreign exchange losses	6,839	2,739
Net foreign exchange gain/(loss)	(871)	978

6 Administration costs

	Q1 2013	Q1 2012
Staff expenses	9,234	10,222
Gross salaries	7,209	7,750
Social security and pension insurance contribution	1,166	1,254
Pay for annual leave	249	538
Other staff costs	610	680
General and administrative expenses	6,728	6,282
Cost of material	595	633
Cost of services	4,480	3,762
Maintenance costs of fixed assets	1,074	1,142
Advertising costs	332	532
Other administrative costs	247	213
Total administration costs	15,962	16,504

7 Provisions

	Q1 2013	Q1 2012
Provisions for off-balance sheet liabilities	(2,287)	372
Other provisions	(9)	(13)
Total	(2,296)	359

8 Impairment losses

	Q1 2013	Q1 2012
Financial assets not measured at fair value through profit or loss	14,454	13,354
Other assets	0	1
Total impairment losses	14,454	13,355



8.1 Impairment of financial assets not measured at fair value through profit or loss

	Q1 2013	Q1 2012
Financial assets measured at cost	10,750	0
Available-for-sale financial assets designated at fair value	178	230
Loans and advances (including finance leases and other financial assets) measured at amortised cost	3,526	13,124
– loans and advances to banks	35	(67)
– loans and advances to customers	9,724	13,064
– other financial assets	(6,233)	127
Total impairment of financial assets not measured at fair value through profit or loss	14,454	13,354

The impairment of financial assets measured at cost relates to Merkur shares.

9 Income tax related to profit or loss from continuing operations

	Q1 2013	Q1 2012
Deferred tax related to continuing operations	(1,592)	241
Total	(1,592)	241

Notes to the statement of financial position items

10 Cash and balances with the central bank

	31.03.2013	31.12.2012
Cash in hand	36,105	39,490
Obligatory deposits with the central bank	194,682	107,758
Other deposits with the central bank	5,523	3,876
Total	236,310	151,124

Obligatory deposit funds are available to finance day-to-day operations and are therefore considered as cash equivalent.

10.1 Cash and cash equivalents

	31.03.2013	31.12.2012
Cash and balances with the central bank	236,310	151,124
Loans and advances to banks	72,130	69,406
Total	308,440	220,530



11 Financial assets held for trading

	31.03.2013	31.12.2012
Derivatives	1,860	1,178
Equity instruments	144	0
– of other issuers	144	0
Total	2,004	1,178
Quoted	144	0
Unquoted	1,860	1,178
Total	2,004	1,178

11.1 Movement in financial assets held for trading

	Q1 2013	2012
1 January	1,178	8,442
Increase during the year	2,118	12,689
– acquisition	1,432	12,402
– change in fair value (recovery and reversal of impairment)	682	0
– other (deferred interest, realised gains)	4	287
Decrease during the year	1,292	19,953
– disposal (sale and redemption)	1,247	12,474
– change in fair value (impairment and reversal of recovery)	0	7,264
– exchange rate differences	0	1
– other (deferred interest, realised losses)	45	214
31 March/31 December	2,004	1,178

12 Financial assets designated at fair value through profit or loss

	31.03.2013	31.12.2012
Equity instruments	32,532	34,043
Total	32,532	34,043
Quoted	22,855	24,366
Unquoted	9,677	9,677
Total	32,532	34,043

12.1 Movement in financial assets designated at fair value through profit or loss

	Q1 2013	2012
1 January	34,043	37,942
Increase during the year	341	7,033
– change in fair value (recovery and reversal of impairment)	341	6,871
– deferred interest	0	34
– exchange rate differences	0	1
– other	0	127
Decrease during the year	1,852	10,932
– disposal (sale and redemption)	0	6,431
– change in fair value (impairment and reversal of recovery)	1,852	4,151
– interest received	0	120
– exchange rate differences	0	16
– other	0	214
31 March/31 December	32,532	34,043



13 Available-for-sale financial assets

13.1 Analysis by type and market segments

	31.03.2013	31.12.2012
Equity instruments designated at fair value	42,020	45,425
Equity instruments measured at cost	23,094	23,081
Debt securities	402,641	348,596
– issued by the state and the central bank	254,196	182,824
– issued by banks	123,387	142,599
– issued by other issuers	25,058	23,173
Total	467,755	417,102
Quoted	428,772	374,939
Unquoted	38,983	42,163
Total	467,755	417,102

13.2 Movement in available-for-sale financial assets

	Equity instruments		Debt securities	Total
	At fair value	At cost		
1 January 2013	45,425	23,081	348,596	417,102
Recognition of new financial assets	299	10,763	99,224	110,286
Interest	0	0	(1,558)	(1,558)
Net revaluation through equity	133	0	(3,616)	(3,483)
Net impairment through profit or loss	(178)	(10,750)	0	(10,928)
Derecognition of financial assets at maturity	0	0	(40,000)	(40,000)
Derecognition of financial assets upon disposal	(3,650)	0	0	(3,650)
Net (losses) on sale	(9)	0	(5)	(14)
31 March 2013	42,020	23,094	402,641	467,755

	Equity instruments		Debt securities	Total
	At fair value	At cost		
1 January 2012	61,041	20,322	442,569	523,932
Recognition of new financial assets	234	3,600	70,352	74,186
Interest	0	0	(2,944)	(2,944)
Net revaluation through equity	5,462	0	22,303	27,765
Net impairment through profit or loss	(11,494)	(840)	0	(12,334)
Derecognition of financial assets at maturity	0	0	(174,019)	(174,019)
Derecognition of financial assets upon disposal	(10,110)	(1)	(8,486)	(18,597)
Net gains/(losses) on sale	292	0	(1,179)	(887)
31 December 2012	45,425	23,081	348,596	417,102



14 Loans and advances to banks

	31.03.2013	31.12.2012
Sight deposits	4,922	6,995
Current loans	97,604	97,783
Impairment of current loans	(192)	(172)
Non-current loans	64,985	64,893
Impairment of non-current loans	(133)	(117)
Total – net amount	167,186	169,382
Impairment	325	289
Total – gross amount	167,511	169,671

15 Loans and advances to customers

	31.03.2013	31.12.2012
Current loans	559,383	579,103
Impairment of current loans	(121,954)	(120,282)
Non-current loans	2,839,925	2,866,538
Impairment of non-current loans	(454,333)	(443,849)
Claims under guarantees	19,163	18,729
Impairment of claims under guarantees	(9,246)	(9,103)
Total – net amount	2,832,938	2,891,136
Impairment	585,533	573,234
Total – gross amount	3,418,471	3,464,370

15.1 Movement in impairment of loans and advances to customers

	Q1 2013	2012
1 January	573,234	335,073
Net impairment of principal	9,724	248,235
– additional impairment of principal	34,286	361,917
– reversal of impairment of principal	(24,562)	(113,682)
Additional impairment of interest	3,227	20,531
Additional impairment/reversal of impairment of fees	(14)	59
Write-offs of loans and advances to customers	(638)	(30,664)
31 March/31 December	585,533	573,234

16 Other financial assets

	31.03.2013	31.12.2012
Cheques	52	75
Claims for fees and commissions	1,300	1,673
Accounts receivables	209	245
Surplus of financial assets arising from authorised transactions for customers	76	0
Other financial assets	60,166	64,939
Total – net amount	61,803	66,932
Impairment	1,475	7,721
Total – gross amount	63,278	74,653



16.1 Movement in impairment of other financial assets

	Q1 2013	2012
1 January	7,721,918	
Net impairment of principal	(6,233)	6,825
– additional impairment of principal	189	7,475
– reversal of impairment of principal	(6,422)	(650)
Additional impairment of interest	3	18
Additional impairment of fees	18	242
Write-offs of other financial assets	(34)	(282)
31 March/31 December	1,475,721	

17 Held-to-maturity financial assets

	31.03.2013	31.12.2012
Debt securities		
– current securities issued by the state and the central bank	9,941	29,855
– non-current securities issued by the state and the central bank	331,359	330,194
– non-current securities issued by banks and savings banks	33,494	33,203
– non-current securities issued by other issuers	3,924	3,878
Total	378,718	397,130
Quoted	377,053	395,473
Unquoted	1,665	1,657
Total	378,718	397,130

17.1 Movement in held-to-maturity financial assets

	Q1 2013	2012
1 January	397,130	339,819
Increase during the year	3,706	123,821
– acquisition	0	108,257
– gains	225	916
– other (deferred interest)	3,481	14,648
Decrease during the year	22,118	66,510
– redemption	20,000	58,729
– losses	302	974
– other (interest received)	1,816	6,807
31 March/31 December	378,718	397,130

18 Financial liabilities measured at amortised cost

	31.03.2013	31.12.2012
Deposits	2,922,861	2,964,727
Loans	504,245	507,838
Debt securities	79,815	88,591
Subordinated liabilities	190,937	88,190
Other financial liabilities	26,965	25,014
Total	3,724,823	3,674,360



18.1 Deposits by type of customers and maturity

	31.03.2013	31.12.2012
Deposits from banks	49,866	53,880
– sight deposits	2,892	2,471
– current deposits	537	3,540
– non-current deposits	46,437	47,869
Deposits from customers	2,872,995	2,910,847
– sight deposits	953,442	971,591
– current deposits	670,376	616,703
– non-current deposits	1,249,177	1,322,553
Total	2,922,861	2,964,727

18.2 Loans by type of customers and maturity

	31.03.2013	31.12.2012
Loans from banks	497,774	501,368
– non-current loans	497,774	501,368
Loans from customers	6,471	6,470
– non-current loans	6,471	6,470
Total	504,245	507,838

18.3 Subordinated liabilities

ISIN code	Currency	Date of maturity	Interest rate	31.03.2013	31.12.2012
Hybrid instruments as a component of additional own funds					
ISIN: XS0270427163	EUR	perpetual; call option after 05.10.2016	3M EURIBOR + 1.60%	50,446	50,222
ISIN: XS0325446903	EUR	perpetual; call option booked as executable on 31.12.2030	3M EURIBOR + 4.00%	12,044	11,920
Hybrid instruments as a component of original own funds					
ISIN: SI0022103046	EUR	perpetual; call option after 29.12.2014	8.70%	26,030	26,048
Hybrid loan facility - CoCo	EUR	perpetual; the first possible repayment date is 30.06.2013; if either the Group's basic equity capital ratio falls to below 5.125% or if its Core Tier I capital ratio falls to below 7%, the hybrid loan facility shall be converted into KBMR shares	10.00%	102,417	0
Total				190,937	88,190

Subordinated liabilities are included in the calculation of capital adequacy. Capital risk is disclosed in Note 26.



18.4 Other financial liabilities

	31.03.2013	31.12.2012
Liabilities for fees and commissions	14	22
Liabilities for gross salaries of employees	2,468	2,472
Liabilities to suppliers	635	4,384
Liabilities related to card transactions	6,961	5,420
Liabilities related to ATM transactions	1,746	2,036
Liabilities related to funds of customers provided for payments abroad	7,106	4,733
Liabilities related to cash transactions	459	665
Liabilities from participation in profits – dividends	75	75
Accruals and deferred income	3,058	2,985
Surplus arising from authorised transactions for customers	0	72
Other financial liabilities	4,443	2,150
Total other financial liabilities	26,965	25,014

19 Provisions

	Provisions for tax claims and other pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2013	3,274	4,333	32,998	428	41,033
Net provisions made during the year	0	(9)	(2,287)	0	(2,296)
– provisions made during the year	0	0	4,108	0	4,108
– provisions reversed during the year	0	(9)	(6,395)	0	(6,404)
Provisions used during the year	0	(17)	0	0	(17)
31 March 2013	3,274	4,307	30,711	428	38,720

	Provisions for tax claims and other pending legal issues	Provisions for pensions and similar benefits	Provisions for off-balance sheet liabilities	Other provisions	Total
1 January 2012	2,532	4,529	23,773	434	31,268
Net provisions made during the year	742	(14)	9,225	(6)	9,947
– provisions made during the year	836	238	31,900	0	32,974
– provisions reversed during the year	(94)	(252)	(22,675)	(6)	(23,027)
Provisions used during the year	0	(182)	0	0	(182)
31 December 2012	3,274	4,333	32,998	428	41,033



20 Revaluation reserves

	31.03.2013	31.12.2012
Revaluation reserves in respect of available-for-sale financial assets	(5,053)	(2,092)
– revaluation	(5,945)	(2,461)
– deferred taxes	892	369
Total	(5,053)	(2,092)

20.1 Movement in revaluation reserves

	Q1 2013	2012
1 January	(2,092)	(24,181)
Net change in valuation of available-for-sale financial assets	(3,483)	27,765
– gains/(losses) recognised in revaluation reserves	(3,483)	17,061
– losses transferred from revaluation reserves to profit or loss	0	10,704
Net change in deferred taxes	522	(5,676)
31 March/31 December	(5,053)	(2,092)

21 Reserves from profit

	31.03.2013	31.12.2012
Regulatory reserves	12,145	12,145
Statutory reserves	172,158	172,158
Other reserves from profit	90,741	90,741
Total	275,044	275,044

Other notes

22 Commitments and contingent liabilities by type

	31.03.2013		Total
	Current	Non-current	
Financial guarantees	43,207	38,534	81,741
Service guarantees	89,114	80,989	170,103
Total guarantees	132,321	119,523	251,844
Unsecured letters of credit	93	80	173
Approved and undrawn loans	89,238	1,417	90,655
Approved and undrawn overdrafts	158,391	0	158,391
Other	1,844	0	1,844
Total commitments and contingent liabilities	249,473	1,417	250,890
Derivatives	182,614	5,674	188,288
Total	564,501	126,694	691,195



	31.12.2012		
	Current	Non-current	Total
Financial guarantees	43,060	38,036	81,096
Service guarantees	95,669	79,827	175,496
Total guarantees	138,729	117,863	256,592
Unsecured letters of credit	249	0	249
Approved and undrawn loans	89,671	1,124	90,795
Approved and undrawn overdrafts	160,906	180	161,086
Other	165	0	165
Total commitments and contingent liabilities	250,742	1,304	252,046
Derivatives	184,632	5,636	190,268
Total	574,352	124,803	699,155

23 Related party transactions

23.1 Statement of financial position and off-balance sheet items

	Subsidiaries		Associates	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Assets				
Loans and advances given (gross amount)	339,880	343,928	1	199
– loans and advances to banks	82,149	81,609	0	0
– loans and advances to customers	257,573	260,936	1	3
– other financial assets	158	1,383	0	196
Investments in securities	55,408	57,089	2,237	4,051
– equity instruments	53,743	55,432	2,237	2,237
– debt securities	1,665	1,657	0	1,814
Other claims	45	0	0	13
Liabilities				
Deposits and loans received	51,161	50,730	1,732	28,956
– deposits and loans from banks	47,567	47,418	0	0
– deposits and loans from customers	2,141	3,066	1,732	28,624
– other financial liabilities	1,453	246	0	332
Securities issued	7,636	0	0	0
– debt securities	7,636	0	0	0
Subordinated liabilities	100	100	0	13,549
Other liabilities	1	0	12	4
Off-balance sheet items	5,649	4,900	4	2,510

	Key management personnel		Other related persons	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Assets				
Loans and advances given (gross amount)	391	323	19,489	12,660
– loans and advances to customers	391	322	19,138	12,657
– other financial assets	0	1	351	3
Investments in securities	0	0	0	348
– equity instruments	0	0	0	348
Liabilities				
Deposits and loans received	817	684	821	898
– deposits and loans from customers	817	677	820	809
– other financial liabilities	0	7	1	89
Other liabilities	0	3	0	0
Off-balance sheet items	90	90	97	33

Transactions with related persons are conducted on an arm's length basis.



23.2 Statement of income

	Subsidiaries		Associates	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Net interest income	2,939	2,622	(22)	(299)
Dividend income	0	0	0	0
Net fee and commission income	249	264	2	107
Cost of services	(33)	(97)	0	(125)
Individual impairments	432	0	0	0
Impairment of investments	0	0	0	0
Write-offs	0	0	0	0
Total 3,587		2,789	(20)	(317)

	Key management personnel		Other related persons	
	Q1 2013	Q1 2012	Q1 2013	Q1 2012
Net interest income	(4)	0	197	116
Dividend income	0	0	0	0
Net fee and commission income	0	0	10	16
Cost of services	(41)	(46)	(234)	(228)
Individual impairments	0	0	0	0
Write-offs	0	0	0	0
Total (45)		(46)	(27)	(96)

23.3 Loans and guarantees given

	Management Board members		Supervisory Board members		Other Bank employees on individual contract	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Loans	14	7	55	58	1,774	1,755
Average interest rate on loans (%)	8.34	8.59	3.69	4.18	2.91	3.30
Repayments	1	0	3	10	111	441

24 Exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions

Exposure to:	31.03.2013	31.12.2012
Bank of Slovenia	200,205	111,634
Republic of Slovenia	578,918	524,953
State-owned institutions	717,238	718,163
Total exposure to the Bank of Slovenia, Republic of Slovenia and state-owned institutions	1,496,361	1,354,750
Share in total assets (%)	34.08	31.23
Off-balance sheet items covered by collateral provided by the Bank of Slovenia or the Republic of Slovenia	12,231	11,664
Total assets	4,390,341	4,338,568



25 Credit risk management

Exposure to credit risk

	Loans to customers		Loans to banks	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Net disbursed loans	2,832,938	2,891,136	167,186	169,382
Individual impairment				
Gross amount	1,215,795	1,191,874	62,550	62,062
Impairment	(511,769)	(502,173)	(325)	(289)
Net amount	704,026	689,701	62,225	61,773
Collective impairment				
Credit rating A	1,053,303	1,111,019	0	0
Credit rating B	645,371	687,393	0	0
Credit rating C	377,301	352,383	0	0
Credit rating D	18,134	15,546	0	0
Credit rating E	34,473	29,645	0	0
Gross amount	2,128,582	2,195,986	0	0
Impairment	(73,764)	(71,061)	0	0
Net amount	2,054,818	2,124,925	0	0
Net non-impaired loans	74,094	76,510	104,961	107,609
Total net loans	2,832,938	2,891,136	167,186	169,382

Past due and unpaid claims

	31.03.2013				
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	0	0	0	2	2
State	1	0	0	0	1
Legal entities	9,412	21,632	27,184	690,019	748,247
Households	2,936	797	660	30,634	35,027
Total 12,349		22,429	27,844	720,655	783,277

	31.12.2012				
	Up to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Banks	0	0	0	29	29
State	144	0	0	0	144
Legal entities	37,480	14,678	2,604	613,901	668,663
Households	3,780	1,103	538	27,144	32,565
Total 41,404		15,781	3,142	641,074	701,401



NPLs in the Bank's total loan portfolio

	31.03.2013	31.12.2012
Gross NPLs (D, E)*	828,406	712,671
Impairment losses for NPLs (D, E)	415,703	362,486
Net NPLs (D, E)	412,703	350,185
Total gross loan portfolio	3,585,982	3,634,041
Total net loan portfolio	3,000,124	3,060,518
Gross NPLs/Total gross loan portfolio (%)	23.10	19.61
Net NPLs/Total net loan portfolio (%)	13.76	11.44

*Gross NPLs (D, E) include collectively impaired loans, which are classified in credit rating categories D and E and for which prime collateral has not been provided, and individually impaired loans, the basic credit rating of which is D or E.

Analysis of loans and the percentage of NPLs by industry sectors

Industry sector	31.03.2013			31.12.2012		
	Total loans	NPLs	Share of NPLs (%)	Total loans	NPLs	Share of NPLs (%)
Households	883,538	26,481	3.00	898,235	23,722	2.64
Agriculture and hunting, forestry, fishing	27,332	4,075	14.91	27,644	4,020	14.54
Mining	2,097	1,809	86.27	2,131	1,798	84.37
Manufacturing industry	649,554	180,480	27.79	659,623	172,150	26.10
Electricity, gas and steam supply	93,596	0	0.00	92,266	0	0.00
Water supply, waste and sewage management, rehabilitation of the environment	7,417	2,326	31.36	7,247	2,276	31.41
Construction	339,863	237,178	69.79	337,679	196,414	58.17
Trade, maintenance and repair of motor vehicles	319,534	85,557	26.78	320,881	55,631	17.34
Transportation and storage	68,463	8,769	12.81	70,962	8,402	11.84
Accommodation and food service activities	126,098	26,693	21.17	131,166	31,419	23.95
Information and communication activities	66,293	36,380	54.88	66,581	36,007	54.08
Financial intermediation	572,022	91,228	15.95	588,752	91,770	15.59
Real estate activities	164,074	75,491	46.01	166,951	53,764	32.20
Professional, scientific and technical activities	145,039	0	0.00	145,397	29,229	20.10
Other various business activities	10,358	40,747	393.39	10,789	3,093	28.67
Public administration and defence services, compulsory social security activities	12,322	3,129	25.39	12,419	0	0.00
Education	4,850	351	7.24	4,902	348	7.10
Health and welfare security	26,859	86	0.32	26,250	104	0.40
Arts, entertainment and recreation	56,651	1,945	3.43	59,193	1,991	3.36
Other activities	10,022	5,681	56.69	4,973	533	10.72
Total gross loans	3,585,982	828,406	23.10	3,634,041	712,671	19.61



26 Composition of regulatory capital and capital requirements

	31.03.2013	31.12.2012
Original own funds		
Paid-up share capital	40,815	40,814
(-) Treasury shares	(64)	(111)
Share premium	165,775	165,775
Reserves and retained earnings or loss	(11,899)	191,356
(-) Interim result used in the calculation (unaudited)	(4,564)	(203,226)
Revaluation excesses (PP) – prudential filters	(681)	(794)
Hybrid instruments as a component of original own funds	126,030	126,030
(-) Intangible long-term assets	(21,891)	(23,381)
(-) Other country specific deductions	11,344	11,356
Total	304,865	307,819
Additional own funds I		
Hybrid instruments and preferential cumulative shares	29,908	29,908
Other	2,380	2,380
Total	32,288	32,288
(-) Deductions from original own funds and additional own funds I		
(-) Deductions from original own funds	(1,119)	(1,119)
(-) Deductions from additional own funds I	(1,119)	(1,119)
Total	(2,238)	(2,238)
Total equity (for solvency purposes)	334,915	337,869
Capital requirements		
Capital requirements for credit risk	264,916	269,546
Central governments and central banks	0	0
Regional governments and local authorities	176	182
Administrative bodies	32	24
Institutions	15,094	14,558
Corporates	106,886	113,339
Retail banking	58,942	59,361
Secured by real estate	4,209	4,324
Past due items	7,960	11,782
Items belonging to regulatory high-risk categories	39,041	33,651
Collective investment undertakings	1,126	1,381
Other items	31,450	30,944
Total capital requirements for market risks	1,703	1,805
Debt securities	407	577
Equity instruments	504	483
Foreign exchange	792	745
Capital requirement for operational risk	20,897	23,237
Total	287,516	294,588
Total capital adequacy ratio	9.32%	9.18%
Tier I capital ratio	8.45%	8.33%
Core Tier I capital ratio	4.94%	4.91%
Core Tier I capital ratio (EBA methodology)	7.73%	7.62%



27 Fair value of financial assets and financial liabilities

	31.03.2013		31.12.2012	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and balances with the central bank	236,310	236,310	151,124	151,124
Financial assets held for trading	2,004	2,004	1,178	1,178
Financial assets designated at fair value through profit or loss	32,532	32,532	34,043	34,043
Available-for-sale financial assets	467,755	467,755	417,102	417,102
Loans and advances to banks	167,186	167,036	169,382	169,233
Loans and advances to customers	2,832,938	2,842,701	2,891,136	2,901,689
Other financial assets	61,803	61,803	66,932	66,932
Held-to-maturity financial assets	378,718	377,819	397,130	399,072
Financial liabilities				
Financial liabilities due to the central bank	424,433	425,339	423,646	425,428
Financial liabilities held for trading	3,477	3,477	3,412	3,412
Deposits from banks	49,866	50,151	53,880	54,354
Deposits from customers	2,872,995	2,893,515	2,910,847	2,924,576
Loans from banks	497,774	498,635	501,368	501,368
Loans from customers	6,471	6,474	6,470	6,470
Debt securities	79,815	86,958	88,591	95,602
Subordinated liabilities	190,937	192,590	88,190	90,965
Other financial liabilities	26,965	26,965	25,014	25,014

28 Events after the statement of financial position date

On 18 April 2013, the share capital of Nova KBM was increased by an in-kind contribution of €100,000,000 via the issuance of new shares into which a state-provided hybrid loan facility was converted. Following the conversion, the share capital of Nova KBM now amounts to €140,814,000 and is split into 137,645,135 ordinary freely transferable registered no-par value shares with voting rights. New and existing shares are equal in all respects and are of the same class.

On 25 April 2013, Nova KBM received the remaining proceeds from the sale of its equity stake in Zavarovalnica Maribor, totalling €50,034,000.



Financial calendar of Nova KBM d.d. for the rest of 2013

All notices and announcements will be available in the electronic dissemination system of the Ljubljana Stock Exchange, SEOnet (www.ljse.si), through the ESPI system of the Warsaw Stock Exchange (www.gpw.pl), and on the Bank's website (www.nkbm.si).

Type of announcement or event	Anticipated date of announcement or event
The 24th regular Shareholders' Meeting of Nova KBM d.d.	Monday, 10 June 2013
Decisions adopted at the 24th regular Shareholders' Meeting of Nova KBM d.d.	Tuesday, 11 June 2013
Preliminary information on results for the period January – June 2013	Wednesday, 31 July 2013
Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – June 2013	Thursday, 29 August 2013
Preliminary information on results for the period January – September 2013	Wednesday, 30 October 2013
Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – September 2013	Thursday, 28 November 2013
The 2014 Business Plan of Nova KBM d.d. and the Nova KBM Group	Thursday, 19 December 2013

The above stated dates are provisional and are subject to change. Any changes in release dates will be published on the website of Nova KBM d.d.