

Biser Topco Group

Disclosures

H1 2019

(Under Pillar 3)

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1. Introduction

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

Nova KBM is owned by a financial holding company, Biser Bidco S.à r.l. In accordance with Article 13 of the CR Regulation, institutions owned by an EU parent financial holding company meet the obligations referred to in Part 8 of the CR Regulation at their consolidated financial position, where it is also relevant at the sub-consolidated position as the Nova KBM Group is a systemically important institution for the Slovenian market. Consequently, data in the document are disclosed at the Biser Topco Group level, and where relevant, also at the Nova KBM Group level. Disclosures are prepared as at 30 June 2019 by Nova KBM, the largest financial institution in the Biser Topco Group.

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

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

Nova KBM included the method, frequency and verification of disclosing essential information in its Disclosure Policy. According to available options, Nova KBM has chosen to publish disclosures in a separate document, in which it took its position against each particular disclosure in line with the Regulation. The Bank discloses most of the information in its Annual Report, in accordance with the requirements of the legislation and International Financial Reporting Standards.

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

In this document, the Group does not disclose any Group-irrelevant disclosures.

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

2. Highlights

The Group must, on basis of ECBs legislation rules (CRR, CRD), fulfil:

- minimum capital requirements, comprised of:
 - Common Equity Tier 1 capital requirements of 4,5%
 - Total Tier 1 capital requirements of 6,0%
 - Total capital requirements of 8,0%
- Prudential / supervisory capital requirements, comprised of:
 - Pillar 2 requirement (P2R),
 - Pillar 2 guidance (P2G),
- Combined buffer requirements, comprised of:
 - Capital conservation buffer (CCB) of 2,5%,
 - Countercyclical capital buffer (CCyB) currently of 0,01%,
 - Other Systemically Important Institution (O-SII) buffer of 0,25% - binding only for Nova KBM Group.

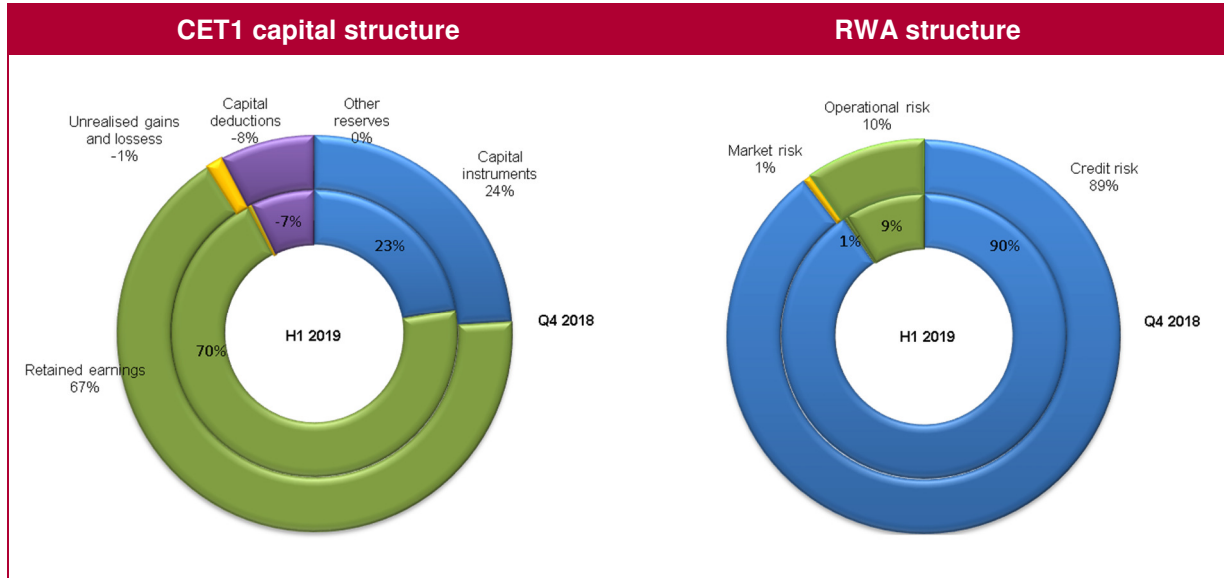
Combined minimum and prudential capital requirements are presenting total supervisory capital requirement – TSCR, combined minimum and prudential and buffer requirements present overall capital requirements the Group must fulfil. Additionally, the Group must also fulfil P2G requirement which is required to be held Common Equity Tier 1 ratio (CET1 ratio). The Group fulfils all of requirements imposed by legislation or supervisory authorities.

Table 1: Summary of Biser Topco Group's indicators

	€000	
	30.6.2019	31.12.2018
Risk weighted assets (RWA)	2.985.965	2.950.517
Credit risk	2.701.031	2.642.894
Market risk	18.681	19.999
Operational risk	266.253	287.625
Regulatory capital		
Common Equity Tier 1 capital ratio (CET 1)	668.657	599.441
Additional Tier 1 capital (AT1)	668.657	599.441
Total regulatory capital	668.657	599.441
Capital adequacy ratios		
Common Equity Tier 1 capital ratio (CET 1)	22,39%	20,32%
Tier 1 capital ratio (AT1)	22,39%	20,32%
Total capital adequacy ratio (CAR)	22,39%	20,32%
Combined capital buffers	2,51%	1,90%
Leverage ratio	12,61%	11,59%
Total assets	5.094.556	4.995.479
Shareholder's capital	781.437	727.332

In comparison to 2018 year-end, regulatory capital of the Group is higher by 69 million EUR, mainly due to higher retained earnings. The RWA is higher by 35 million EUR, mainly due to the higher risk weighted assets for credit risk, which is in line with adopted business plan of the Group.

Figure 1: Biser Topco Group's CET1 capital and RWA structure H1 2019 and Q4 2018



3. Own Funds

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

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

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

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

The Group's regulatory capital is comprised in total out of Common Equity Tier 1 capital (CET 1 Capital). The table below shows the difference between the Group's shareholder's capital and regulatory capital as at 30 June 2019. In 2019 the own funds were positively affected by the increase of retained earnings (general assembly decision in July 2019).

The reconciliation between the Group's equity reported in the balance sheet and the equity reported for regulatory purposes is presented in the table below.

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

	€000	
	30.6.2019	
	Biser Topco Group	Nova KBM Group
1 Shareholder's equity	781.437	785.524
2 Share Capital	2.008	150.000
3 Share premium	174.830	403.302
4 Other capital instruments	864	0
5 Revaluation reserves	-2.391	22.054
6 Translation reserves	0	0
7 Reserves from profit	271	20.228
8 Retained earnings/(losses)	556.722	136.415
9 Net profit/loss for the financial year	49.133	53.525
10 Non-controlling interest	0	0
12 Subordinated liabilities	0	0
13 Adjustments	(112.780)	(114.564)
14 Share premium	0	0
15 Other capital instruments	(1.550)	0
16 Intangible assets	(28.272)	(28.275)
17 Non-controlling interest	0	0
18 Less interim profit of year 2019	(49.133)	(53.525)
19 Less profit of year 2018 w/o approval for incl. in CET1	(5.000)	(5.000)
20 Differed tax assets	(27.213)	(26.160)
21 Other deductions	(1.613)	(1.605)
22 Regulatory (CET1) capital (1-13)	668.657	670.960

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

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

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

Capital instruments of Biser Topco Group and Nova KBM Group are comprised of paid-in capital (equities) and share premium (capital reserves). Capital instruments without ECB's permissions are not included in CET1 calculation.

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

Capital instruments main features template (!)			
1	Issuer	Biser Topco S.à r.l.	Nova KBM d.d.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		SI0021116494
3	Governing law(s) of the instruments	Grand Duchy of Luxembourg, in particular the law of August 10, 1915 on commercial companies, as amended CRR	ZGD, ZTFI, ZNVP, CRR
	Regulatory treatment	CRR	CRR
4	Transitional CRR rules	Common equity Tier-1 capital	Common equity Tier-1 capital
5	Post transitional CRR rules	Common equity Tier-1 capital	Common equity Tier-1 capital
6	Eligible at solo/(sub-)consolidated/solo and (sub-)consolidated	Consolidated	Solo and sub-consolidated
7	Instrument type (to be specified by each jurisdiction)	Common equity Tier-1 capital	Common equity Tier-1 capital
8	Amount recognised in the regulatory capital (€million; as of the most recent reporting date)	€176 million	€553 million
9	Nominal amount of instrument	Share: €2.0 million Share premium: €174.1 million	Share €150 million Share premium € 403 million
9a	Issue price	Shares: €1 per share; Share premium; €100.85 per share	€87 per share
9b	Redemption price	N/A	N/A
10	Accounting classification	Equity	Equity
11	Original date of issuance	13 April 2016	19 December 2013
12	Perpetual or dated	Perpetual	Perpetual
13	Original date of issuance	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends	N/A	N/A
17	Fixed or floating dividend/coupon	N/A	N/A
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	N/A	N/A

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

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

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

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

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

Common Equity Tier 1 capital comprises of:

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

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

All of **capital instruments** of Nova KBM Group are eligible for inclusion in CET1 capital calculation. Capital instruments of Biser Topco Group in amount of 0,7 million EUR are not eligible for inclusion in CET1 capital calculation.

Interim net profit of the year 2019 is not included in calculation of CET1 capital at any reporting level.

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

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

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

The Group is disclosing the amount of regulatory capital as at 30 June 2019, and regulatory capital items for which transitional periods apply in accordance with CRR and other regulations. The group is disclosing the following:

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

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

€000

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
1	Capital instruments and the related share premium accounts	176.153	26(1), 27, 28, 29, 26(3), EBA list
	Of which: Paid-in capital instruments	2.008	26(3), EBA list
	Of which: Paid-in capital surplus	174.144	26(3), EBA list
2	Retained earnings	551.722	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-2.454	26/1
3a	Funds for general banking risk		26(1)(f)
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1		286(2)
	Public sector capital injections grandfathered until 1 January 2018		283(2)
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26(2)
6	Common Equity Tier-1 (CET-1) capital before regulatory adjustments	551.722	Sum of row 1 – 5a

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
7	Additional value adjustments (negative amount)	-2.454	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-28.274	36(1)(b), 37, 472(4)
9	Empty Set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-27.213	36(1)(c), 38, 472(5)
11	Fair value reserves related to gains or losses on cash flow hedges		33(a)
12	Negative amounts resulting from the calculation of expected loss amounts		36(1)(d), 40, 159, 472(6)
13	Any increase in equity that results from securitised assets (negative amount)		32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(b)
15	Defined-benefit pension fund assets (negative amount)		36(1)(e), 41, 472(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36(1)(f), 42, 472(8)
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36(1)(g), 44, 472(9)
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)
20	Empty Set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k)
20b	Of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 to 91
20c	Of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	Of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)		36(1)(c), 38, 48(1)(a), 470, 472(5)
22	Amount exceeding the 15 % threshold (negative amount)		48(1)
23	Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(ii), 48(1)(b), 470, 472(11)
24	Empty Set in the EU		
25	Of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a), 470, 472(5)
25a	Losses for the current financial year (negative amount)	0	36(1)(a), 472(3)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36(1)(l)
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		
	Of which: ... filter for unrealised loss 1		467
	Of which: ... filter for unrealised loss 2		467
	Of which: ... filter for unrealised gain 1		468
	Of which: ... filter for unrealised gain 2		468
26b	Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR	0	481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	-56.764	
29	Common equity Tier-1 capital	668.657	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	668.657	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	Tier 2 (T2) capital before regulatory adjustments	0	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63(d)(i), 66(a), 67, 477(2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66(b), 68, 477(3)
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66(c), 69, 70, 79, 477(4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66(d), 69, 79, 477(4)
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	668.657	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
	Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		475, 475(2)(b), 475(2)(c), 475(4)(b)
	Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		477, 477(2)(b), 477(2)(c), 477(4)(b)
60	Total risk weighted assets	2.985.965	
61	CET1 (as a percentage of risk exposure amount)	22,39%	92(2)(a), 465
62	T1 (as a percentage of risk exposure amount)	22,39%	92(2)(b), 465
63	Total capital (as a percentage of risk exposure amount)	22,39%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	74.649	128, 129 and 130, (CRD)
65	Of which: capital conservation buffer requirement	74.649	
66	Of which: countercyclical buffer requirement	299	

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
67	Of which: systemic risk buffer requirement	0	
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0	131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	668.657	128 (CRD)
69	[not relevant in EU regulation]		
70	[not relevant in EU regulation]		
71	[not relevant in EU regulation]		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	1.276	36(1)(h), 45, 46, 472(10)
			56(c), 59, 60, 475(4)
			66(c), 69, 70, 477(4)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	2.378	36(1)(i), 45, 48, 470, 472(11)
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)	-3.474	36(1)(c), 38, 48, 470, 472(5)
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach		62
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach		62
80	Current cap on CET1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
82	Current cap on AT1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
84	Current cap on T2 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)

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

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Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
1	Capital instruments and the related share premium accounts	553.302	26(1), 27, 28, 29, 26(3), EBA list
	Of which: Paid-in capital instruments	150.000	26(3), EBA list
	Of which: Paid-in capital surplus	403.302	26(3), EBA list
2	Retained earnings	131.415	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	41.955	26/1
3a	Funds for general banking risk		26(1)(f)
4	Amount of qualifying items referred to in Article 484(3) and the related share premium accounts subject to phase-out from CET1		286(2)
	Public sector capital injections grandfathered until 1 January 2018		283(2)
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	26(2)
6	Common Equity Tier-1 (CET-1) capital: regulatory adjustments	726.671	Sum of row 1 – 5a
7	Additional value adjustments (negative amount)	-1.278	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-28.274	36(1)(b), 37, 472(4)
9	Empty Set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-26.160	36(1)(c), 38, 472(5)
11	Fair value reserves related to gains or losses on cash flow hedges		33(a)
12	Negative amounts resulting from the calculation of expected loss amounts		36(1)(d), 40, 159, 472(6)
13	Any increase in equity that results from securitised assets (negative amount)		32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(b)
15	Defined-benefit pension fund assets (negative amount)		36(1)(e), 41, 472(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36(1)(f), 42, 472(8)
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36(1)(g), 44, 472(9)
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)
20	Empty Set in the EU		

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k)
20b	Of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 to 91
20c	Of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	Of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)		36(1)(c), 38,48(1)(a), 470, 472(5)
22	Amount exceeding the 15 % threshold (negative amount)		48(1)
23	Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(ii), 48(1)(b), 470, 472(11)
24	Empty Set in the EU		
25	Of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a), 470, 472(5)
25a	Losses for the current financial year (negative amount)	0	36(1)(a), 472(3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36(1)(l)
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		
	Of which: ... filter for unrealised loss 1		467
	Of which: ... filter for unrealised loss 2		467
	Of which: ... filter for unrealised gain 1		468
	Of which: ... filter for unrealised gain 2		468
26b	Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre-CRR	0	481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	-55.711	
29	Common equity Tier-1 capital	670.960	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0	

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/06/2019	Regulation (EU) No 575/2013 Article reference
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	670.960	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts		62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	Tier 2 (T2) capital before regulatory adjustments	0	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63(d)(i), 66(a), 67, 477(2)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66(b), 68, 477(3)
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66(c), 69, 70, 79, 477(4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66(d), 69, 79, 477(4)
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	0	
59	Total capital (TC = T1 + T2)	670.960	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
	Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		475, 475(2)(b), 475(2)(c), 475(4)(b)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
	Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts)		
	Items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		477, 477(2)(b), 477(2)(c), 477(4)(b)
60	Total risk weighted assets	3.017.657	
61	CET1 (as a percentage of risk exposure amount)	22,23%	92(2)(a), 465
62	T1 (as a percentage of risk exposure amount)	22,23%	92(2)(b), 465
63	Total capital (as a percentage of risk exposure amount)	22,23%	92(2)(c)
64	Institution specific buffer requirement (CET1 requirement in accordance with Article 92(1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	83.287	128, 129 and 130, (CRD)
65	Of which: capital conservation buffer requirement	75.441	
66	Of which: countercyclical buffer requirement	302	
67	Of which: systemic risk buffer requirement	0	
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	7.544	131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	670.960	128 (CRD)
69	[not relevant in EU regulation]		
70	[not relevant in EU regulation]		
71	[not relevant in EU regulation]		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	1.276	36(1)(h), 45, 46, 472(10) 56(c), 59, 60, 475(4) 66(c), 69, 70, 477(4)
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	2.378	36(1)(i), 45, 48, 470, 472(11)
74	Empty Set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met)	-3.474	36(1)(c), 38, 48, 470, 472(5)
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the Standardised Approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 capital under the Standardised Approach		62
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 capital under the internal ratings-based approach		62
80	Current cap on CET1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
82	Current cap on AT1 instruments subject to phase-out arrangements		484(3), 486(2) and (58)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/06/2019	(B) Regulation (EU) No 575/2013 Article reference
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)
84	Current cap on T2 instruments subject to phase-out arrangements		484(3), 486(2) and (58)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484(3), 486(2) and (58)

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

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

Data are presented in Table in section 3.1.

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

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

This disclosure is not applicable for the Group.

3.7 Disclosure in respect to transitional arrangements in order to reduce the impact of IFRS 9 introduction on capital

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

Disclosure does not apply to the Group because the Group did not choose to apply transitional arrangements to reduce the impact of the IFRS 9 standard introduction on regulatory capital.

3.8 Transitional provisions for disclosure of capital

(Article 492 of the Regulation)

Disclosure does not apply to the Group is not relevant because the Group has not applied transitional arrangements for the calculation of regulatory capital or any amount of risk-weighted assets since 1 January 2018. Transitional provisions are only taken into account in case of calculating capital buffers, and these comply with the provisions of CRD.

4. Capital Requirements

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

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

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

The Group discloses the amounts according to the provisions of Chapter 46, paragraph 69 of the Guidelines. As at the date of reporting, risk weighted assets exceed the respective amount for the end of year 2018 by 35 million EUR. The change in risk-weighted exposure at the reporting date of 30 June 2019 compared to 31 December 2018 is primarily associated with:

- implementation of regulatory changes associated to phase-in period of 112(6) Article of Regulation CRR connected to implementation of country risk in category of exposures to central governments and central banks,
- intensive activities on improving the collateral eligibility for decreasing credit risk capital requirement,
- yearly calculation of risk weighted assets for operational risk (i.e. including years 2016-2018),
- continuing materialization of the Group's commercial strategy (liquidity redeployment),
- continuing reduction in NPE exposure portfolio,
- movements in value adjustments of equity investments,
- movements of impairments,
- divestment of non-core subsidiaries.

The changes in risk-weighted exposure of the Biser Topco Group reflect also the changes in risk-weighted exposure of the Nova KBM Group.

The table below presents the detailed composition of the capital requirements of the Groups at the end of 2018 and 30.6.2019. Out of the overall capital requirements of Biser Topco Group the 90% relates to credit risk positions, 9% to operational risk and 1% to market risk positions.

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

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			RWAs		Minimum capital requirements
			30/6/2019	31/12/2018	30/6/2019
	1	Credit risk (excluding counterparty credit risk – CCR)	2.698.932	2.641.402	215.915
Article 438(c)(d)	2	Of which the standardised approach	2.698.932	2.641.402	215.915
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	6	CCR	2.199	1.501	176
Article 438(c)(d)	7	Of which mark to market	0	0	0
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	2.099	1.491	168
	10	Of which internal model method (IMM)	0	0	0
Article 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0	0
Article 438(c)(d)	12	Of which credit value adjustment (CVA)	100	10	8
438(e)	13	Settlement risk	0	0	0
Article 449(o)(i)	14	Securitisation exposures in the banking book (after the cap)	0	0	0
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	19	Market risks	18.581	19.989	1.486
	20	Of which the standardised approach	18.581	19.989	1.486
	21	Of which IMA	0	0	0
Article 438(e)	22	Large exposures			
Article 438(f)	23	Operational risk	266.253	287.625	21.300
	24	Of which basic indicator approach	266.253	287.625	21.300
	25	Of which the standardised approach	0	0	0
	26	Of which advanced measurement approach	0	0	0
Article 437(2), Article 48 and Article 60	27	Amounts below the thresholds for deduction (subject to 250 % risk weight)	0	0	0
Article 500	28	Floor adjustment	0	0	0
	29	Total	2.985.965	2.950.517	238.877

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

			€000		
			RWAs		Minimum capital requirements
			30/6/2019	31/12/2018	30/6/2019
	1	Credit risk (excluding counterparty credit risk – CCR)	2.696.736	2.638.710	215.739
Article 438(c)(d)	2	Of which the standardised approach	2.696.736	2.638.710	215.739
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	6	CCR	2.199	1.501	176
Article 438(c)(d)	7	Of which mark to market	0	0	0
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	2.099	1.491	168
	10	Of which internal model method (IMM)	0	0	0
Article 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	0	0	0
Article 438(c)(d)	12	Of which credit value adjustment (CVA)	100	10	8
Article 438(e)	13	Settlement risk	0	0	0
Article 449(o)(i)	14	Securitisation exposures in the banking book (after the cap)	0	0	0
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	19	Market risks	18.581	19.989	1.486
	20	Of which the standardised approach	18.581	19.989	1.486
	21	Of which IMA	0	0	0
Article 438(e)	22	Large exposures			
Article 438(f)	23	Operational risk	300.141	320.477	24.011
	24	Of which basic indicator approach	300.141	320.477	24.011
	25	Of which the standardised approach	0	0	0
	26	Of which advanced measurement approach	0	0	0
Article 437(2), Article 48 and Art. 60	27	Amounts below the thresholds for deduction (subject to 250 % risk weight)	0	0	0
Article 500	28	Floor adjustment	0	0	0
	29	Total	3.017.657	2.980.677	241.413

4.1 General information on Credit risk RWA

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

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

Both groups have the same portfolio of capital investments, since the Biser Topco Group has no authorisations or licences to carry out any activity. As at 30 June 2019, the two Groups have a significant equity investment in the financial company Bankart d.o.o. not deducted from regulatory capital. For this investment, the Group calculates risk-weighted exposure for credit risk. The investment is classified in equity exposures and assigned the risk weight of 250%.

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

	€000
	Values
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	2.378
Total RWAs	5.945

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

(Article 438 (d) of the Regulation)

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

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

(Article 438 of the Regulation)

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

4.2 General information on Market risk RWA

(Article 445 of the Regulation)

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

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

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

The table below presents RWA for market risk at the reporting date, 30 June 2019. The change in RWA for market risks, in the period between 30 June 2019 and 31 December 2018 relates primarily to the RWA for collective investments undertakings related to divestment of Infond d.o.o. The subsidiary was sold in June 2019, consequently RWA for collective investments undertakings was eliminated.

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

		€000	
		RWAs	Capital requirements
1	Outright products		
2	Interest rate risk (general and specific)	27	2
3	Equity risk (general and specific).	18.553	1.484
4	Foreign exchange risk	0	0
5	Commodity risk	0	0
6	Options		
7	Simplified approach	0	0
8	Delta-plus method	0	0
9	Scenario approach	0	0
10	Securitisation (specific risk)	0	0
11	Total	18.581	1.486

4.3 General information on Operational risk RWA

(Article 446 of the Regulation)

The Group uses the Basic indicator approach to calculate the capital requirements for operational risk for calculation of which the basis are relevant positions of Profit and Loss account. Table below presents the RWA and capital requirements for operational risk as at June 30, 2019.

Table 1: Operational risk under the standardized approach

		€000	
		RWA	Capital requirements
1	Biser Topco Group	266.253	21.300
2	Nova KBM Group	300.141	24.011

5. Credit risk and CRM techniques

(Articles 442, 444 and 453 of the Regulation)

5.1 Disclosure, by significant exposure class, of

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

(Article 442 (g) of the Regulation)

Clarification of on- and off-balance-sheet exposures changes in the period between 30 June 2019 and 31 December 2018 are given in chapter 4.

The Group discloses all net exposures classified in all exposure classes.

Flow of specific credit risk is presented and explained in chapters 5.2 and 5.6.

Movements in non-performing exposures and associate notes are detailed in chapters 5.4, 5.5 and 5.7.

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

€000

		a	b	c	d	e	f	g
		Gross carrying values of Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
1	Central governments or central banks	0	1.217.467	256	0	0	-88	1.217.211
2	Regional governments or local authorities	0	13.293	568	0	0	-162	12.724
3	Public sector entities	0	107.436	26	0	0	150	107.410
4	Multilateral development banks	0	13.231	0	0	0	0	13.230
5	International organisations	0	23.016	1	0	0	-1	23.015
6	Institutions	0	530.478	76	0	0	14	530.402
7	Corporates	0	1.420.841	11.622	0	0	-4.488	1.409.219
8	Of which: SMEs	0	255.380	4.530	0	0	-1.612	250.850
9	Retail exposures	0	1.517.500	5.828	0	-148.738	-552	1.511.672
10	Of which: SMEs	0	207.283	1.763	0	0	-487	205.520
11	Exposures secured by mortgages on immovable property	0	616.967	1.357	0	0	-919	615.610
12	Of which: SMEs	0	147.021	568	0	0	-224	146.453
13	Exposures in default	169.765	0	74.164	0	137.723	167.993	95.601
14	Items associated with particular high risk	154	17.039	374	0	21.955	47.131	16.819
15	Covered bonds	0	0	0	0	0	0	0
16	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0
17	Collective investment undertakings	0	27.975	0	0	0	0	27.975
18	Equity exposures	0	7.787	0	0	0	0	7.787
19	Other exposures	0	346.528	81.580	0	0	-81.551	264.947
20	Total standardised approach	169.919	5.859.558	175.853	0	10.941	127.527	5.853.623
21	Total	169.919	5.859.558	175.853	0	10.941	127.527	5.853.623
22	Of which: Loans	131.820	3.421.428	83.409	0	10.941	197.688	3.469.839
23	Of which: Debt securities	0	1.202.733	550	0	0	-32	1.202.183
24	Of which: Off- balance-sheet exposures	12.641	808.606	4.390	0	0	3.460	816.857

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

€000

	a	b	c	d	e	f	g	
	Gross carrying values of Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)	
1	Central governments or central banks	0	1.216.668	256	0	0	-88	1.216.412
2	Regional governments or local authorities	0	13.293	568	0	0	-162	12.724
3	Public sector entities	0	107.436	26	0	0	150	107.410
4	Multilateral development banks	0	13.231	0	0	0	0	13.230
5	International organisations	0	23.016	1	0	0	-1	23.015
6	Institutions	0	530.478	76	0	0	14	530.402
7	Corporates	0	1.419.763	11.622	0	0	-4.488	1.408.141
8	Of which: SMEs	0	255.380	4.530	0	0	-1.612	250.850
9	Retail exposures	0	1.517.500	5.828	0	-148.738	-552	1.511.672
10	Of which: SMEs	0	207.283	1.763	0	0	-487	205.520
11	Exposures secured by mortgages on immovable property	0	616.967	1.357	0	0	-919	615.610
12	Of which: SMEs	0	147.021	568	0	0	-224	146.453
13	Exposures in default	169.765	0	74.164	0	137.723	167.991	95.601
14	Items associated with particular high risk	154	17.039	374	0	21.955	47.131	16.819
15	Covered bonds	0	0	0	0	0	0	0
16	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0
17	Collective investment undertakings	0	27.975	0	0	0	0	27.975
18	Equity exposures	0	7.787	0	0	0	0	7.787
19	Other exposures	0	344.709	81.580	0	0	-81.551	263.128
20	Total standardised approach	169.919	5.855.861	175.853	0	10.941	127.526	5.849.927
21	Total	169.919	5.855.861	175.853	0	10.941	127.526	5.849.927
22	Of which: Loans	131.820	3.420.753	83.409	0	10.941	197.688	3.469.164
23	Of which: Debt securities	0	1.202.733	550	0	0	-32	1.202.183
24	Of which: Off- balance-sheet exposures	12.641	808.606	4.390	0	0	3.460	816.857

5.2 Disclosure, by significant industry or counterparty type, of

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

(Article 442 (g) of the Regulation)

Clarification of on- and off-balance-sheet exposures changes in the period between 30 June 2019 and 31 December 2018 are given in chapter 4.

The Group discloses all net exposures classified in all exposure classes.

As at 30 June 2019 (also as at 31 December 2018), the Group discloses the highest net exposure to debtors without economic activity, which mostly include households.

In the context of exposure by significant industry, the largest amount of exposure is classified to sectors of finance and insurance activities and public administration where most of the exposure is held for liquidity purposes. Corporate and household exposures are held with the purpose of generation of interest income on amortising loan exposure.

In comparison to previous year, the decline of exposure is the most significant in public sector entities, which mainly includes exposures central governments. The stated is in line with Group's investment strategy.

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

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit	General credit	Accumulated	Credit risk	Net values
		Defaulted	Non-defaulted	risk adjustment	risk adjustment	write-offs	adjustment charges	(a+b-c-d)
		exposures	exposures				of the period	
1	Agriculture and hunting, forestry, fishing	360	29.262	4.576	0	4	2.970	25.046
2	Mining	0	18.625	62	0	0	67	18.563
3	Manufacturing industry	10.877	580.850	30.634	0	8.978	24.764	561.092
4	Electricity, gas and steam supply	136	97.455	992	0	0	-143	96.600
5	Water supply	10	57.953	1.242	0	502	224	56.720
6	Construction	18.625	177.540	22.039	0	10.570	15.514	174.126
7	Wholesale and retail trade	46.152	291.045	31.413	0	8.183	29.091	305.785
8	Transportation and storage	1.313	127.119	1.982	0	3.617	7.475	126.450
9	Accommodation and food service activities	8.009	51.436	7.142	0	45	8.732	52.303
10	Information and communication activities	4.102	83.855	2.863	0	15.501	14.504	85.093
11	Finance and insurance activities	949	1.512.569	1.957	0	29	873	1.511.561
12	Real estate activities	3.263	42.188	17.934	0	4.878	15.106	27.517
13	Professional, scientific and technical activities	3.320	154.595	9.311	0	4.116	3.140	148.604
14	Other various business activities	2.891	115.773	1.181	0	172	1.169	117.484
15	Public administration and defense services, compulsory social security activities	0	647.113	1.063	0	0	-385	646.050
16	Education	21	13.389	135	0	0	-32	13.275
17	Human health services and social work activities	8.208	40.823	625	0	0	-16	48.406
18	Arts, entertainment and recreation	60	53.553	336	0	2	105	53.277
19	Other activities	61.623	1.764.415	40.366	0	-45.657	4.369	1.785.672
20	Total	169.919	5.859.558	175.853	0	10.941	127.527	5.853.623

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

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Agriculture and hunting, forestry, fishing	360	29.262	4.576	0	4	2.970	25.046
2	Mining	0	18.625	62	0	0	67	18.563
3	Manufacturing industry	10.877	580.850	30.634	0	8.978	24.764	561.092
4	Electricity, gas and steam supply	136	97.455	992	0	0	-143	96.600
5	Water supply	10	57.953	1.242	0	502	224	56.720
6	Construction	18.625	177.540	22.039	0	10.570	15.514	174.126
7	Wholesale and retail trade	46.152	291.045	31.413	0	8.183	29.091	305.785
8	Transportation and storage	1.313	126.015	1.982	0	3.617	7.475	125.346
9	Accommodation and food service activities	8.009	51.436	7.142	0	45	8.732	52.303
10	Information and communication activities	4.102	83.855	2.863	0	15.501	14.504	85.093
11	Finance and insurance activities	949	1.510.776	1.957	0	29	872	1.509.768
12	Real estate activities	3.263	42.188	17.934	0	4.878	15.106	27.517
13	Professional, scientific and technical activities	3.320	154.595	9.311	0	4.116	3.140	148.604
14	Other various business activities	2.891	115.773	1.181	0	172	1.169	117.484
15	Public administration and defense services, compulsory social security activities	0	646.314	1.063	0	0	-385	645.251
16	Education	21	13.389	135	0	0	-32	13.275
17	Human health services and social work activities	8.208	40.823	625	0	0	-16	48.406
18	Arts, entertainment and recreation	60	53.553	336	0	2	105	53.277
19	Other activities	61.623	1.764.415	40.366	0	-45.657	4.369	1.785.672
20	Total	169.919	5.855.861	175.853	0	10.941	127.526	5.849.927

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

(Article 442 (h) of the Regulation)

Clarification of on- and off-balance-sheet exposures changes in the period between 30 June 2019 and 31 December 2018 are given in chapter 4.

The Group classifies among other Member States according to CRR the exposures to countries of the European Union and the European Economic Area, with the exception of Slovenia, among other European countries and among European countries which are not members of the European Union. The Group classifies in exposures to other geographical areas exposures to all other countries.

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

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Significant area 1 EU countries by CRR	169.771	5.689.242	175.205	0	2.033	125.142	5.683.807
2	Slovenia	164.583	4.421.821	159.758	0	-50.420	111.341	4.426.646
3	EU Countries other than Slovenia by CRR	5.188	1.267.421	15.448	0	52.453	13.802	1.257.161
4	Significant area 2 Other European countries	43	2.104	220	0	8.907	2.623	1.928
5	Other geographical areas	105	168.212	428	0	1	-238	167.888
19	Total	169.919	5.859.558	175.853	0	10.941	127.527	5.853.623

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

€000

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Significant area 1 EU countries by CRR	169.771	5.685.545	175.205	0	2.033	125.141	5.680.111
2	Slovenia	164.583	4.418.799	159.758	0	-50.420	111.339	4.423.625
3	EU Countries other than Slovenia by CRR	5.188	1.266.746	15.448	0	52.453	13.802	1.256.486
4	Significant area 2 Other European countries	43	2.104	220	0	8.907	2.623	1.928
5	Other geographical areas	105	168.212	428	0	1	-238	167.888
19	Total	169.919	5.855.861	175.853	0	10.941	127.526	5.849.927

5.4 Disclosure of ageing of past-due exposures

(Article 442(a) of the Regulation)

The total amount of past-due defaulted exposures amounted to €151.5 million at the end of first half of 2019; and compared to end of 2018, the amount has decreased by 124.7 million EUR. In the first half of 2019, the largest decrease in past due defaulted exposures was recorded in the past due bucket of 1 year (116.6 million EUR) and in 90 to 180 days bucket (4.2 million EUR). The decrease is mainly the result of the reclassification of 110 million EUR package of on balance sheet non-performing exposure to non-current assets and disposal

groups classified as held for sale as part of the continuing implementation of the non-performing exposures reduction strategy. The bank expects this transaction to close during Q3 2019.

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

€000

		a	b	Gross carrying values of			f
		≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
1	Loans and other financial assets	65.230	8.378	3.148	5.448	5.897	63.407
2	Debt securities	0	0	0	0	0	0
3	Total exposures	65.230	8.378	3.148	5.448	5.897	63.407

5.5 Disclosure of non-performing and forborne exposures

(Article 442(a) of the Regulation)

Data on non-performing exposures refer to the Nova KBM Group companies, as neither Biser Topco nor Biser Bidco companies perform any activity and, hence, do not have non-performing and forborne exposures. In the first half of 2019, the amount of non-performing exposures in the Nova KBM Group has decreased from 346 million EUR to 170 million EUR. At the end of the first half of 2019, the Group had 57.6 million EUR less non-performing forborne exposures than at the end of 2018. The decrease is mainly the result of the reclassification of 110 million EUR package of non-performing exposure to non-current assets and disposal groups classified as held for sale as part of the continuing implementation of the non-performing exposures reduction strategy. The bank expects this transaction to close during Q3 2019.

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

€000

	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures			
					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		Of which forborne	
010	Debt securities	1.244.237	0	0	0	0	0	550	0	0	0	0	0	
020	Loans and advances	3.577.650	8.966	78.648	157.855	155.989	131.585	67.223	18.425	5.383	70.923	23.185	40.459	21.406
030	Off-balance-sheet exposures	821.247	0	3.582	12.639	12.633	12.633	162	884	4	3.506	102	1.199	60

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

€000

	a	b	c	d	e	f	g	h	i	j	k	l	m	
	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received		
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing			On performing exposures		On non-performing exposures		On non-performing exposures			
					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		Of which forborne	
010	Debt securities	1.242.334	0	0	0	0	0	550	0	0	0	0	0	
020	Loans and advances	3.576.6	8.966	78.648	157.855	155.989	131.585	67.223	18.425	5.383	70.923	23.185	40.459	21.406
030	Off-balance-sheet exposures	821.247	0	3.582	12.639	12.633	12.633	162	884	4	3.506	102	1.199	60

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

(Article 442 (i) of the Regulation)

The changes in the accumulated specific credit risk adjustments in the first half of 2019 are mostly the result of the active implementation of the NPE strategy.

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

		€000	
		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	Opening balance	-193.360	-
2	Increases due to amounts set aside for estimated loan losses during the period	-4.077	-
3	Decreases due to amounts reversed for estimated loan losses during the period	95.296	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	17.200	-
5	Transfers between credit risk adjustments	927	-
6	Impact of exchange rate differences	0	-
7	Business combinations, including acquisitions and disposals of subsidiaries	0	-
8	Other adjustments	72	-
9	Closing balance	-83.942	-
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	-455	-

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

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

€000

		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	Opening balance	-193.360	-
2	Increases due to amounts set aside for estimated loan losses during the period	-4.077	
3	Decreases due to amounts reversed for estimated loan losses during the period	95.296	-
4	Decreases due to amounts taken against accumulated credit risk adjustments	17.200	-
5	Transfers between credit risk adjustments	927	-
6	Impact of exchange rate differences	0	-
7	Business combinations, including acquisitions and disposals of subsidiaries	0	-
8	Other adjustments	72	-
9	Closing balance	-83.942	-
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	-455	-

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

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

(Article 442 (i) of the Regulation)

In the first half of 2019, the total volume of defaulted exposures declined by 170 million EUR. Other changes with 169 million EUR represent the largest share of decline and include the reclassification of 110 million EUR package of non-performing exposure to non-current assets and disposal groups classified as held for sale, sales of claims in the amount of 24 million EUR, partial and total repayments of 20 million EUR, and collateral liquidations in the amount of 15 million EUR.

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

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

		€000
		a
		Gross carrying value of defaulted exposures
1	Opening balance	328.295
2	Loans and debt securities that have defaulted or impaired since the last reporting period	15.936
3	Returned to non-defaulted status	-8.753
4	Amounts written off	-9.060
5	Other changes	-168.564
6	Closing balance	157.855

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

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

Clarification of on- and off- balance sheet exposures changes in the period between 30 June 2019 and 31 December 2018 are given in chapter 4.

Notes with regard to description of suitable types of collateral taken by the institution are given in sections 20.1 to 20.5 of Annual 2018 Pillar 3 Disclosures.

For the purpose of calculating risk-weighted credit risk assets, the Group identified appropriate types of collateral for credit risk mitigation in its internal methodology. These are:

1. Funded collateral instruments:

- Commercial and residential real estates
- Financial collateral (e.g. bank deposits, debt securities issued by various issuers, equity instruments)

2. Unfunded collateral instruments:

- solidarity guarantees provided by natural or legal persons
- Guarantees issued by first-class banks
- Guarantees provided by the central and local governments and central banks

Above defined collateral types are considered as eligible for calculation of risk weighted assets only, if they meet all the relevant legislation requirements. The Group is using simplified collateral method as eligible risk mitigation technique.

The following Table EU CR3 provides an overview of the scope of use of credit risk mitigation techniques by exposure type, i.e. loans and debt securities.

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

€000

		a	b	c	d	e
		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	4.019.618	727.121	652.549	74.572	0
2	Total debt securities	1.224.120	58.618	0	58.618	0
3	Total exposures *	5.243.737	785.739	652.549	133.191	0
4	Of which defaulted	167.936	1.983	173	1.810	0

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

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

€000

		a	b	c	d	e
		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	4.015.921	727.121	652.549	74.572	0
2	Total debt securities	1.224.120	58.618	0	58.618	0
3	Total exposures *	5.240.041	785.739	652.549	133.191	0
4	Of which defaulted	167.936	1.983	173	1.810	0

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

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

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

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

€000

	Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
1	Central governments or central banks	1.217.431	36	1.359.238	1.902	13.768	1%
2	Regional governments or local authorities	13.213	80	12.645	16	2.532	20%
3	Public sector entities	104.047	3.390	34.846	738	6.476	18%
4	Multilateral development banks	13.231	0	13.230	0	0	0%
5	International organizations	23.016	0	8.191	0	0	0%
6	Institutions	499.924	30.042	483.891	6.438	153.312	31%
7	Corporates	955.599	463.367	904.216	165.478	1.047.963	98%
8	Retail exposures	1.244.809	272.691	1.237.857	57.592	929.169	72%
9	Secured by mortgages on immovable property	585.878	31.089	584.213	9.970	229.980	39%
10	Exposures in default	157.044	12.641	86.278	1.798	100.496	114%
11	Items associated with particular high risk	10.423	6.770	10.128	3.345	20.211	150%
12	Covered bonds	0	0	0	0	0	0%
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0%
14	Collective investment undertakings	27.975	0	27.975	0	6.122	22%
15	Equity instruments	7.787	0	7.787	0	11.354	146%
16	Other items	345.384	1.144	263.804	229	179.649	68%
17	Total	5.205.762	821.247	5.034.298	247.506	2.701.031	51%

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

€000

	Exposure classes	a		b		c		d		e		f	
		Exposures before CCF and CRM		Exposures post CCF and CRM		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density		RWAs and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density	RWAs	RWA density		
1	Central governments or central banks	1.216.632	36	1.358.439	1.902	13.768	1%						
2	Regional governments or local authorities	13.213	80	12.645	16	2.532	20%						
3	Public sector entities	104.047	3.390	34.846	738	6.476	18%						
4	Multilateral development banks	13.231	0	13.230	0	0	0%						
5	International organizations	23.016	0	8.191	0	0	0%						
6	Institutions	499.924	30.042	483.891	6.438	153.312	31%						
7	Corporates	954.521	463.367	903.138	165.478	1.046.885	98%						
8	Retail exposures	1.244.809	272.691	1.237.857	57.592	929.169	72%						
9	Secured by mortgages on immovable property	585.878	31.089	584.213	9.970	229.980	39%						
10	Exposures in default	157.044	12.641	86.278	1.798	100.496	114%						
11	Items associated with particular high risk	10.423	6.770	10.128	3.345	20.211	150%						
12	Covered bonds	0	0	0	0	0	0%						
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0%						
14	Collective investment undertakings	27.975	0	27.975	0	6.122	22%						
15	Equity instruments	7.787	0	7.787	0	11.354	146%						
16	Other items	343.565	1.144	261.985	229	178.530	68%						
17	Total	5.202.066	821.247	5.030.602	247.506	2.698.835	51%						

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

(Article 444 (e) of the Regulation)

Notes with regard to changes in net amounts of on- and off-balance-sheet exposures in the period between 30 June 2019 and 31 December 2018 are given in chapter 4.

The Bank as a parent financial institution of the Group in 2018, as a reference external credit assessment institution (ECAI) appointed the Moody's Investors Service.

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

€000

	Exposure class	Risk weight											Deducted	Total	Of which unrated
		0%	4%	10%	20%	35%	50%	75%	100%	150%	250%	Other			
1	Central governments or central banks	1.250.329	0	93.094	0	0	0	0	39	0	0	17.679	0	1.361.140	0
2	Regional governments or local authorities	0	0	0	12.661	0	0	0	0	0	0	0	0	12.661	766
3	Public sector entities	20.550	0	0	10.696	0	0	0	4.337	0	0	0	0	35.583	4.337
4	Multilateral development banks	13.230	0	0	0	0	0	0	0	0	0	0	0	13.230	0
5	International organizations	8.191	0	0	0	0	0	0	0	0	0	0	0	8.191	0
6	Institutions	0	0	0	307.825	0	182.537	0	478	0	0	0	56.764	547.605	16.528
7	Corporates	0	0	0	2.076	0	79.895	0	941.783	47.814	0	0	0	1.071.569	740.322
8	Retail exposures	0	0	0	0	0	0	1.295.449	0	0	0	0	0	1.295.449	929.169
9	Exposures secured by mortgages on immovable property	0	0	0	0	384.763	209.420	0	0	0	0	0	0	594.183	229.980
10	Exposures in default	0	0	0	0	0	0	0	63.474	24.682	0	0	0	88.156	100.496
11	Items associated with particular high risk	0	0	0	0	0	0	0	0	13.474	0	0	0	13.474	20.211
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Collective investment undertakings	0	0	0	0	0	0	0	2.641	0	0	25.334	0	27.975	2.641
15	Equity instruments	0	0	0	0	0	0	0	5.409	0	2.378	0	0	7.787	10.182
16	Other items	51.268	0	0	41.395	0	0	0	171.370	0	0	0	0	264.033	63.838
17	Total	1.343.568	0	93.094	374.654	384.763	471.853	1.295.449	1.189.531	85.970	2.378	43.013	56.764	5.341.036	2.118.470

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

€000

	Exposure class	Risk weight											Deduct- ed	Total	Of which unrated
		0%	4%	10%	20%	35%	50%	75%	100%	150%	250%	Other			
1	Central governments or central banks	1.249.530	0	93.094	0	0	0	0	39	0	0	17.679	0	1.360.341	0
2	Regional governments or local authorities	0	0	0	12.661	0	0	0	0	0	0	0	0	12.661	766
3	Public sector entities	20.550	0	0	10.696	0	0	0	4.337	0	0	0	0	35.583	4.337
4	Multilateral development banks	13.230	0	0	0	0	0	0	0	0	0	0	0	13.230	0
5	International organizations	8.191	0	0	0	0	0	0	0	0	0	0	0	8.191	0
6	Institutions	0	0	0	307.825	0	182.537	0	478	0	0	0	55.711	546.552	16.528
7	Corporates	0	0	0	2.076	0	79.895	0	940.706	47.814	0	0	0	1.070.492	739.244
8	Retail exposures	0	0	0	0	0	0	1.295.449	0	0	0	0	0	1.295.449	929.169
9	Exposures secured by mortgages on immovable property	0	0	0	0	384.763	209.420	0	0	0	0	0	0	594.183	229.980
10	Exposures in default	0	0	0	0	0	0	0	63.474	24.682	0	0	0	88.156	100.496
11	Items associated with particular high risk	0	0	0	0	0	0	0	0	13.474	0	0	0	13.474	20.211
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Collective investment undertakings	0	0	0	0	0	0	0	2.641	0	0	25.334	0	27.975	2.641
15	Equity instruments	0	0	0	0	0	0	0	5.409	0	2.378	0	0	7.787	10.182
16	Other items	50.567	0	0	41.395	0	0	0	170.251	0	0	0	0	262.213	63.838
17	Total	1.342.068	0	93.094	374.654	384.763	471.853	1.295.449	1.187.335	85.970	2.378	43.013	55.711	5.336.287	2.117.392

6. COUNTERPARTY CREDIT RISK (CCR)

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

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

(Article 439 (f) of the Regulation)

The Group monitors counterparty credit risk exposure using the mark-to-market method, in accordance with Article 274 of the Regulation.

In the first half of 2019, the CCR exposure increased by 2.5 million EUR to 6.1 million EUR. The increase is mainly the result of revaluation of interest rate swaps due to lower interest rates on the market. The volume of derivatives transactions has not changed significantly.

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

€000

		a	b	c	d	e	f
		Notional	Replacement cost/current market value	Potential future credit exposure	Effective expected positive exposure (hereinafter: EEPE)	Multiplier	RWAs
1	Mark to market		3.588	2.467			2.099
2	Original exposure						
3	Standardised approach						
4	Internal model method (IMM) (for derivatives and SFT)						
5	Of which securities financing transactions (SFT)						
6	Of which derivatives and long settlement transactions						
7	Of which from contractual cross-product netting						
8	Financial collateral simple method (for SFTs)						
9	Financial collateral comprehensive method (for SFTs)						
10	VaR for SFTs VaR for SFTs:						
11	Total						2.099

Credit value adjustment – CVA

„Credit value adjustment” (CVA) means the adjustment of the counterparty transactions portfolio to the valuation at the mean market value. The said adjustment made for the institution reflects the current market value of counterparty credit risk, but does not reflect the current market value of the institution’s credit risk to the counterparty. The template below discloses the data at the level of the Biser Topco Group as at 30 June 2019. In comparison to 2018 year-end, the CVA exposure increased by 0,6 million EUR, mainly due to increased number of FX forward contracts related to CVA risk.

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

€000

		Exposure value	RWAs
1	Total portfolios subject to the advanced method	0	0
2	(i) VaR component (including the 3x multiplier)		0
3	(ii) Stress value at risk component (hereinafter: SVaR) (including the 3x multiplier):		0
4	All portfolios subject to the standardised method	936	100
5	Based on the original exposure method	0	0
6	Total subject to the CVA capital charge	936	100

Exposure to central counterparties

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

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

(Article 444 (e) of the Regulation)

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

€000

	Exposure classes	Risk weight											Total	Of which unrated	
		0 %	2 %	4 %	10 %	20 %	50 %	70 %	75 %	100 %	150 %	Others			
1	Central governments or central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Regional governments or local authorities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	International organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Institutions	0	0	0	0	510	2	0	0	0	0	0	0	512	512
7	Corporates	0	0	0	0	0	0	0	0	1.875	0	0	1.875	1.875	
8	Retail	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Exposures in default	0	0	0	0	0	0	0	0	0	80	0	80	80	
11	Exposures associated with particular high risk	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Other items	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Total	0	0	0	0	510	2	0	0	1.875	80	0	2.467	2.467	

7. Leverage ratio

(Article 451 of the Regulation)

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

7.1 Leverage ratio of Biser Topco Group

(451 a-c of the Regulation)

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

		€000
		Applicable amounts 30/6/2019
1	Total assets as per published financial statements	5.915.803
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognized in the statement of financial position in accordance with Article 429(13) of Regulation	0
4	Adjustments for derivative financial instruments	0
5	Adjustments for securities financing transactions (SFTs)	0
6	(Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation)	-572.689
EU-6a	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)	0
EU-6b	Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation	0
7	Other adjustments	-47.507
8	Total leverage ratio exposure	5.301.662

Template 25: LRCom: Leverage ratio common disclosure

€000

		CRR leverage ratio exposures
On-balance-sheet exposures (excluding derivatives and SFTs)		
1	On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	5.090.968
2	(Asset amounts deducted in determining Tier 1 capital)	-43.919
3	Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	5.047.049
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3.588
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	2.467
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted client-cleared trade exposures CCP leg)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	6.056
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	0
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted client-cleared SFT exposure through CCP leg)	0
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0
Other off-balance-sheet exposures		
17	Off-balance-sheet exposures at gross notional amount	821.247
18	(Adjustments for conversion to credit equivalent amounts)	-572.689
19	Other off-balance-sheet exposures (sum of lines 17 to 18)	248.558
Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)		
EU-19a	(Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
Capital and total exposures		
20	Tier-1 capital	668.657

21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	5.301.662
Leverage ratio		
22	Leverage ratio	12,61%
Choice on transitional arrangements for the definition of the capital measure		
EU-23	Choice on transitional arrangements for the definition of the capital measure	No
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013	0

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

		€000
		CRR leverage ratio exposures
EU-1	Total on-balance-sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	5.047.049
EU-2	Trading book exposures	9.277
EU-3	Banking book exposures, of which:	5.037.772
EU-4	<i>Covered bonds</i>	<i>0</i>
EU-5	<i>Exposures treated as sovereigns</i>	<i>1.217.175</i>
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	<i>152.914</i>
EU-7	<i>Institutions</i>	<i>499.849</i>
EU-8	<i>Secured by mortgages on immovable property</i>	<i>584.533</i>
EU-9	<i>Retail exposures</i>	<i>944.395</i>
EU-10	<i>Corporate exposures</i>	<i>1.239.352</i>
EU-11	<i>Exposures in default</i>	<i>76.257</i>
EU-12	<i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	<i>323.297</i>

7.2 Leverage ratio of Nova KBM Group

(451 a-c of the Regulation)

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

		€000
		Applicable amounts 30/06/2019
1	Total assets as per published financial statements	5.919.607
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised in the statement of financial position in accordance with Article 429(13) of Regulation	0
4	Adjustments for derivative financial instruments	6.056
5	Adjustments for securities financing transactions (SFTs)	0
6	(Adjustment for intra-group exposures excluded from the leverage ratio exposure measure in accordance with Article 429(7) of Regulation)	-570.222
EU-6a	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429(14) of Regulation)	0
EU-6b	Excluded exposures meeting the conditions in accordance with Article 429(14) of Regulation	0
7	Other adjustments	-55.008
8	Total leverage ratio exposures	5.300.433

Template 28: LRCom: Leverage ratio common disclosure

€000

		CRR leverage ratio exposures
On-balance-sheet exposures (excluding derivatives and SFTs)		
1	On-balance-sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	5.094.772
2	(Asset amounts deducted in determining Tier 1 capital)	-51.420
3	Total on-balance-sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	5.043.352
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3.588
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	2.467
EU-5a	Exposure determined under Original Exposure Method	0
6	Gross-up for derivatives collateral provided where deducted from the balance-sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
8	(Exempted client-cleared trade exposures CCP leg)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
11	Total derivative exposures (sum of lines 4 to 10)	6.056
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
14	Counterparty credit risk exposure for SFT assets	0
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No. 575/2013	0
15	Agent transaction exposures	0
EU-15a	(Exempted client-cleared SFT exposure through CCP leg)	0
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0
Other off-balance-sheet exposures		
17	Off-balance-sheet exposures at gross notional amount	821.247
18	(Adjustments for conversion to credit equivalent amounts)	-570.222
19	Other off-balance-sheet exposures (sum of lines 17 to 18)	251.025
Exempted exposures in accordance with CRR Article 429 (7) and (14) of Regulation (EU) No 575/2013 (on- and off-balance sheet)		
EU-19a	(Exemption of intra-group exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	0
Capital and total exposures		
20	Tier-1 capital	670.960
21	Total leverage ratio exposures	5.300.433

	(sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	
Leverage ratio		
22	Leverage ratio	12,66%
Choice on transitional arrangements for the definition of the capital measure		
EU-23	Choice on transitional arrangements for the definition of the capital measure	No
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No. 575/2013	0

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

		€000
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	5.043.352
EU-2	Trading book exposures	9.277
EU-3	Banking book exposures, of which:	5.034.075
EU-4	Covered bonds	0
EU-5	Exposures treated as sovereigns	1.216.376
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	152.914
EU-7	Institutions	499.849
EU-8	Secured by mortgages of immovable properties	584.533
EU-9	Retail exposures	943.317
EU-10	Corporate	1.239.352
EU-11	Exposures in default	76.257
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	321.477

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

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

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

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

As at 30 June 2019, the financial leverage ratio stood for Biser Topco Group at 12,61 % and respectively for the Nova KBM group at 12,66 % which is in line with the Group's Business

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

7.4 Description of the factors that had an impact on the leverage ratio to which the disclosed leverage ratio refers
(451.e) of the Regulation)

The leverage ratio was calculated by taking into account the relevant amount of the Group's on- and off-balance-sheet exposures as well as the level of its Tier-1 capital as 30 June 2019. The following factors had the most significant impact on the calculation of the financial leverage ratio in 2019:

- In Tier-1 capital ratio:
 - retained 2018 year-end profits
- In the exposure:
 - change in the Group's investment strategy (lending activities)
 - further divestments of non-core subsidiaries.