

**Biser Topco Group**

**Disclosures**  
**Q3 2020**  
**(Under Pillar 3)**

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## 1. Introduction

In accordance with Part 8 of Regulation (EU) No. 575/2013 of the European Parliament and the European Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR), including its revisions (hereinafter: the Regulation), and the EBA Guidelines (EBA/GL/2016/11) on the disclosure of information referred to in Part 8 of the Regulation, Nova KBM d.d. (hereinafter also „the Bank“ or „Parent bank“) is obliged to disclose essential information that would, if released or misstated, change or affect an assessment or decision of the user using this information to make business decisions. The regulation allows a possibility not to disclose information that has a characteristic of confidential information or business secret.

Nova KBM d.d. is owned by a financial holding company, Biser Bidco S.â.r.l. In accordance with Article 13 of the CRR Regulation, institutions owned by an EU parent financial holding company meet the obligations referred to in Part 8 of the CRR Regulation at their consolidated financial position and, where it is also relevant, at the sub-consolidated position. Consequently, data in the document are disclosed at the Biser Topco Group level, and where relevant, also at the Nova KBM Group level. Disclosures are prepared as at 30 September 2020 by Nova KBM d.d, the largest financial institution in the Biser Topco Group. Biser Topco S.â.r.l and Biser Bidco S.â.r.l are holding companies established to acquire an equity stake in Nova KBM d.d. None of the companies perform licensed and commercial activities that would lead to additional exposure to risks. Both companies generate only costs that are appropriate for holding companies. With a purpose to ensure compliance with the legislation, the Bank has incorporated risk management at the Biser Topco Group level into its methodologies, policies and strategies.

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

On 20 June 2019, Nova KBM concluded a Share purchase agreement with the Republic of Slovenia represented by the Slovenian Sovereign Holding, d.d., for the purchase of a 100-percent interest in Abanka d.d. On 30 January 2020, Nova KBM d.d. received the regulatory approval by the European Central Bank to acquire a direct qualifying holding in Abanka d.d. (“Abanka”). Following such regulatory permission, on 5 February 2020, Nova KBM d.d. closed the purchase of Abanka and acquired 100% of Abanka's shares, and the latter became a member of the Nova KBM Group. On 15 March 2020 the Nova KBM d.d. submitted the Request for authorization for the merger of Abanka into Nova KBM d.d. to the Bank of Slovenia. The regulatory authorization for merger was received on 5 August 2020. On the basis of the received approval, Abanka d.d. was legally merged with Nova KBM d.d. on 1 September 2020. The two banks forms the second largest, systemically important, bank in Slovenia. The presented Pillar 3 Disclosures cover Nova KBM d.d., which includes ex-Abanka, and entities of Biser Topco Group.

In relation to the merger with Abanka, on 14 July 2020, Nova KBM d.d. received the regulatory permission from the European Central Bank for the inclusion of interim period net profits, including negative goodwill, as accounted in Profit & Loss Statement as of 31 January 2020 in Common Equity Tier 1 (“CET1”) capital calculation. Therefore, it is already included in capital calculations in 2020.

### The Coronavirus pandemic

In order to ensure that these Disclosures reflect the up-to-date information on the current status of the Group, the evolution of the Coronavirus pandemic and the measures taken by the

Government of the Republic of Slovenia to combat the spread of the virus have been taken into account.

Slovenia has seen a marked increase in infection rates in September, which accelerated during October such that the Government declared a second pandemic event on 19 October 2020 and subsequently introduced a series of containment measures, which remain in effect at the date of this report. The scope and severity of the future impact on the economy remains uncertain, but it can be assumed that there would be a negative impact on overall economic output in the fourth quarter of 2020.

The Bank is closely monitoring the economic outlook in relation to Coronavirus impacts and its impacts on the Combined Group performance, capital and liquidity position. As of 30 September the Bank had not experienced any significant defaults in its portfolio due to the COVID-19. However, as a result of the pandemic, a number of corporate borrowers in impacted industries have seen their rating downgraded, and a number of them applied for the various support schemes offered by the State, including legislative moratoria. Certain retail borrowers have also utilised the legislative moratoria available to them.

As noted above, market conditions have become considerably more uncertain in the last weeks with significant increases in infections and restrictive measures being re-imposed by Governments in Slovenia and in its key export markets. Consequently, the Bank has initiated reviews of those commercial sectors, which may be more susceptible to the impact of the pandemic than others, for example, tourism and automotive supply, to estimate the range of further provisions in Q4 2020 as well as specific reviews of individual accounts. The Bank also regularly reviews the macroeconomic scenarios and their weights, most recently set in June 2020 based on the forecasts available at the time, used as FLI in the IFRS9 ECL calculation.

The Bank continues to focus on the reduction of its stock of NPEs and has completed the sale of a second package of assets with a gross nominal value of 38 million EUR, this transaction closed as of 9.10.2020. Further transactions are under consideration.

The Bank has implemented the new SME supporting factor following the CRR „Quick Fix“ regulation (Regulation (EU) 2020/873).

Both capital and liquidity positions remain at adequate levels.

#### Publication

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. The Bank discloses most of the information in its Annual Report, in accordance with the requirements of the legislation and International Financial Reporting Standards.

#### Disclosure of information

This document aims at disclosing information under the Pillar 3. In this context, the Bank followed the provisions of the CRR Regulation (575/2013), Directive (EU) No. 2013/36 (hereinafter: the Directive) and the Guidelines on Disclosure Requirements under Part 8 of Regulation as well as other guidelines defining disclosure requirements (Guidelines on Remuneration Policies, Guidelines on non-performing and forborne exposures, etc.) (hereinafter: the Guidelines).

#### Audit

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 the basis of ECB's legislation rules (CRR, CRD), fulfil the:

- 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)
  - Overall capital buffer requirements

The combined minimum and prudential capital requirements represent the total supervisory capital requirement – TSCR, combined minimum, prudential and buffer requirements represent the overall capital requirements the Group must fulfil. Additionally, the Group must also fulfil the P2G requirement, which is required to be met by Common Equity Tier 1 ratio (CET1 ratio). The Group fulfils all requirements imposed by legislation or supervisory authorities. The table below presents the capital requirements at the Biser Topco Group level (excluding P2G). Biser Topco Group's regulatory capital requirements and buffers prevail on the Combined Group level.

**Table 1: Regulatory capital requirements and buffers of the Biser Topco Group**

	30/09/2020	31/12/2019
<b>Minimum requirements according to CRR</b>	<b>8,00 %</b>	<b>8,00 %</b>
Common equity Tier 1 capital ratio (CET1 ratio)	4,50 %	4,50 %
Additional Tier 1 capital ratio (AT1 ratio)	1,50 %	1,50 %
Additional capital ratio (T2 ratio)	2,00 %	2,00 %
<b>Pillar 2 SREP requirement (*P2R)</b>	<b>3,00 %</b>	<b>3,50 %</b>
<b>Total capital SREP requirement (TSCR)</b>	<b>11,00 %</b>	<b>11,50 %</b>
Common equity Tier 1 capital ratio (CET1 ratio)	7,50 %	8,00 %
Additional Tier 1 capital ratio (AT1 ratio)	1,50 %	1,50 %
Additional capital ratio (T2 ratio)	2,00 %	2,00 %
<b>Capital buffer requirements</b>	<b>2,50 %</b>	<b>2,52 %</b>
Capital conservation buffers (CCoB)	2,50 %	2,50 %
Countercyclical buffer (CCyB)	0,00 %	0,02 %
Other systemically important banks buffer (**OSIB)	0,00 %	0,00 %
<b>Overall capital SREP requirement (OCR)</b>	<b>13,50 %</b>	<b>14,02 %</b>
Common equity Tier 1 capital ratio (CET1 ratio)	10,00 %	10,52 %
Additional Tier 1 capital ratio (AT1 ratio)	1,50 %	1,50 %
Additional capital ratio (T2 ratio)	2,00 %	2,00 %

\*P2R requirement for 2020 equals to 3,00%

\*\* OSIB of 0,25% is binding on NKBM Group level only

The following table provides a high-level presentation of the total regulatory capital, risk weighted assets (RWA) and capital adequacy ratios of Biser Topco Group as at the end of September 2020 in comparison to the end of December 2019.

In comparison to the end of 2019, the regulatory capital of the Group is higher by 214 million EUR primarily due to:

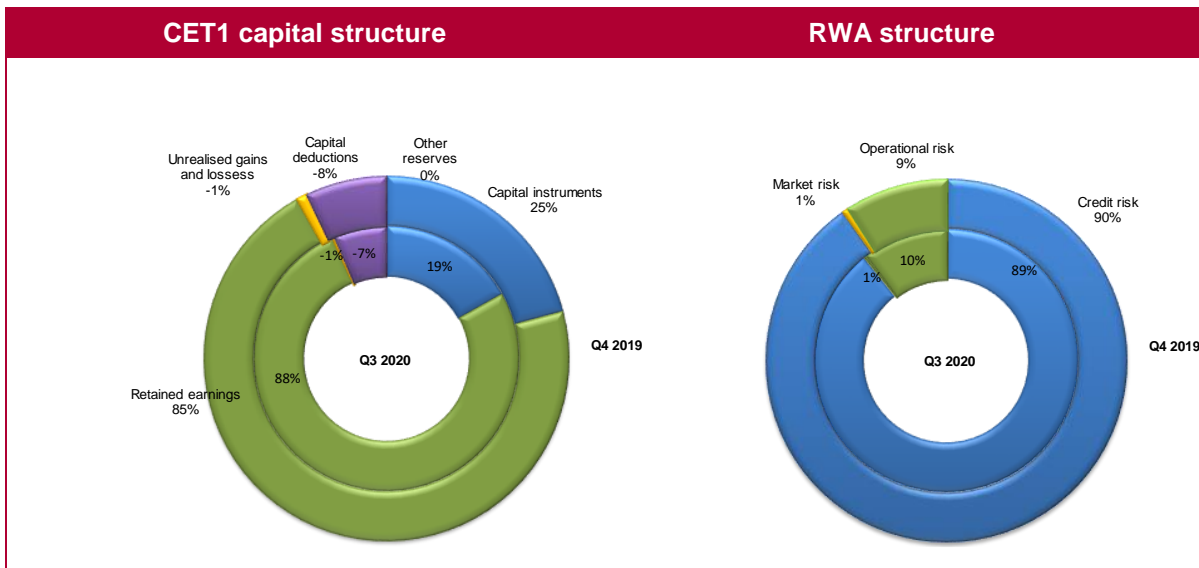
- the inclusion of the interim profit for the one month period ended 31 January 2020 in the amount of 194,1 million EUR as a result of the acquisition of Abanka, as approved by the Board of Managers of Biser Topco S.â.r.l. on 15 April 2020, and as permitted by the ECB on 14 July 2020;
- the inclusion of the remaining net profit for the period ended 31 December 2019 in the amount of 5,1 million EUR as approved by the General Assembly of Nova KBM d.d. on 30 April 2020;
- higher Tier 2 capital eligibility on the Biser Topco level (the basis for calculation is CRR Article 87), primarily resulting from the increase in RWA of the Group. RWA is higher by 1.982 million EUR, primarily due the acquisition of Abanka referred to above and as presented in Chapter 1 of this document.

**Table 2: Summary of Biser Topco Group's indicators**

	€000	
	<b>30.09.2020</b>	<b>31.12.2019</b>
<b>Risk weighted assets (RWA)</b>	4.918.752	2.936.340
Credit risk	4.392.843	2.650.553
Market risk	18.976	19.534
Operational risk	506.933	266.253
<b>Regulatory capital</b>		
Common Equity Tier 1 capital ratio (CET 1)	908.058	708.849
Additional Tier 1 capital (AT1)	0	0
Tier 2 capital (T2)	68.844	53.718
Total regulatory capital	976.902	762.567
<b>Capital adequacy ratios</b>		
Common Equity Tier 1 capital ratio (CET 1)	18,46%	24,14%
Tier 1 capital ratio (AT1)	18,46%	24,14%
Total capital adequacy ratio (CAR)	19,86%	25,97%
<b>Capital buffers</b>	2,50%	2,52%
<b>Leverage ratio</b>	9,52%	13,29%
<b>Total assets</b>	8.987.835	5.105.892
<b>Shareholder's capital</b>	1.003.237	780.719

The data presented above are additionally visualised in the figure below.

**Figure 1: Biser Topco Group's CET1 capital and RWA structure Q3 2020 / Q4 2019**



### 3. Own Funds

This Chapter 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 the 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 of Common Equity Tier 1 capital (CET1 capital) and Tier 2 capital (T2 capital). The table below shows the difference between the Group's shareholder's capital and the regulatory capital as at 30 September 2020. The drivers of changes in regulatory capital are presented in Chapter 2 of this document.

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 3: Reconciliation of regulatory capital items and the balance sheet capital**

	€000	
	<b>30.09.2020</b>	
	<b>Biser Topco Group</b>	<b>Nova KBM Group</b>
<b>1 Shareholder's equity</b>	<b>1.003.237</b>	<b>1.006.130</b>
2 Share Capital	2.008	150.000
3 Share premium	174.830	403.302
4 Other capital instruments	1.014	0
5 Revaluation reserves	(1.852)	10.478
6 Translation reserves	0	0
7 Reserves from profit	271	20.228
8 Retained earnings/losses	612.983	195.785
9 Net profit/loss for the financial year	213.983	226.338
10 Non-controlling interest	0	0
<b>12 Subordinated liabilities</b>	<b>68.844</b>	<b>90.400</b>
<b>13 Adjustments</b>	<b>(95.179)</b>	<b>(89.868)</b>
14 Share premium	0	0
15 Other capital instruments	(1.699)	0
16 Intangible assets	(35.351)	(35.351)
17 Non-controlling interest	0	0
18 Less interim profit of year 2020	(19.879)	(22.420)
19 Less profit w/o approval for incl. in CET1	(7.023)	(2.023)
20 Differed tax assets	(25.757)	(24.596)
21 Other deductions	(5.470)	(5.478)
<b>22 Regulatory capital (1+12-13)</b>	<b>976.902</b>	<b>1.006.663</b>



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

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

The 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 the paid-in capital (equities) and the share premium (capital reserves). Capital instruments without ECB's permissions are not included in the CET1 calculation.

**Table 4: Main features of the Group's capital instruments**

Capital instruments main features template				
		Common equity Tier 1 capital		Tier 2 (T2) capital
1	Issuer	Biser Topco S.à r.l.	Nova KBM d.d.	NOVA KREDITNA BANKA MARIBOR d.d.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	/	SI0021116494	Identifier: KBM11, ISIN: SI0022103897
3	Governing law(s) of the instruments	Luxembourg, in the law on commercial companies of 1915, as amended	ZGD, ZTFI, ZNVP, ZBAN	ZBAN, BS decision
	Regulatory treatment	CRR	CRR	CRR
<b>Regulatory treatment</b>				
4	Transitional CRR rules	Common equity Tier 1 capital	Common equity Tier 1 capital	Tier 2 (T2) capital
5	Post transitional CRR rules	Common equity Tier 1 capital	Common equity Tier 1 capital	Tier 2 (T2) capital
6	Eligible at solo/(sub-) consolidated/solo and (sub-) consolidated	Consolidated	Solo and sub-consolidated	At solo (Nova KBM's), sub-consolidated (Nova KBM's), and consolidated (at Biser Topco S.à r.l. level) levels, as an instrument of Tier 2 capital in accordance with Article 63 of Regulation (EU) no 575/2013 ( <i>Capital Requirements Regulation – „CRR“</i> )
7	Instrument type (to be specified by each jurisdiction)	Common equity Tier 1 capital	Common equity Tier 1 capital	Additional Tier 1 (AT1) capital
8	Amount recognised in the regulatory capital (million EUR; as of the most recent reporting date)	176 million EUR	553 million EUR	90,4 million EUR at solo, sub-consolidated and 68,8 million EUR at consolidated basis
9	Nominal amount of instrument	Share: 2,0 million EUR  Share premium: 174,1 million EUR	Share: 150 million EUR  Share premium: 403 million EUR	90,4 million EUR
9a	Issue price	Share: 1 EUR per share; share premium: 100,85 EUR per share	87 EUR per share	90,4 million EUR (0,1 million EUR per bond)
9b	Redemption price	N/A	N/A	Bond's principal (0,1 million EUR) and accrued but unpaid interest on the principal by (excluding) the maturity date (or in the case of early redemption

Capital instruments main features template				
Common equity Tier 1 capital			Tier 2 (T2) capital	
				by the (excluding) date set for redemption)
10	Accounting classification	Equity	Equity	Financial liabilities
11	Original date of issuance	13/04/2016	19/12/2013	09/10/2019
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	N/A	N/A	09/10/2029
14	Issuer call subject to prior supervisory approval	N/A	N/A	Yes
15	Optional call date, contingent call dates, and redemption amount	N/A	N/A	The issuer may, with prior notice, redeem the bonds in full in advance, but not in instalments, in the amount payable, at any time on or after the fifth anniversary of the bond issue date.  The amount payable on the bond is equal to the principal of such bond, together with accrued and unpaid interest on the principal by (excluding) the redemption date
16	Subsequent call dates, if applicable	N/A	N/A	See item 15 above

#### Coupons/dividends

17	Fixed or floating dividend/coupon	N/A	N/A	By (excluding) 09/10/2024 fixed interest rate applies for bonds; since 09/10/2024, floating interest rate applies for bonds.
18	Coupon rate and any related index	N/A	N/A	Fixed: 4 % p.a. Floating: annual swap rate (expressed in percent) for swap transactions in EUR with a maturity of five years + 4,4 % p.a.
19	Existence of a dividend stopper	N/A	N/A	No
20a	Full discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A	Mandatory
20b	Full discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A	Mandatory
21	Existence of step up or other incentive to redeem	N/A	N/A	No
22	Non-cumulative or cumulative	N/A	N/A	Non-cumulative
23	Convertible or non-convertible	N/A	N/A	Non-convertible <sup>1</sup>
24	If convertible, conversion trigger(s)	N/A	N/A	<sup>1/2</sup>

<sup>1</sup>Note: Given that bonds are instruments of additional capital, substitutability and/or partial write-offs are possible in accordance with applicable law – (i) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010, and (EU) No 648/2012 of the European Parliament and of the Council (*Directive on banks recovery and resolution*); (ii) Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010; and (iii) the Resolution and Compulsory Winding-Up of Banks Act.

<sup>2</sup> See Note 1.

Capital instruments main features template				
		Common equity Tier 1 capital		Tier 2 (T2) capital
25	If convertible, fully or partially	N/A	N/A	<sup>3</sup>
26	If convertible, conversion rate	N/A	N/A	<sup>4</sup>
27	If convertible, mandatory or optional conversion	N/A	N/A	<sup>5</sup>
28	If convertible, specify instrument type convertible into	N/A	N/A	<sup>6</sup>
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	<sup>7</sup>
30	Write-down features	N/A	N/A	<sup>8</sup>
31	If write-down, write-down trigger(s)	N/A	N/A	<sup>9</sup>
32	If write-down, full or partial	N/A	N/A	<sup>10</sup>
33	If write-down, permanent or temporary	N/A	N/A	<sup>11</sup>
34	If temporary write-down, description of write-up mechanism	N/A	N/A	<sup>12</sup>
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Ordinary liabilities	<p>Bonds represent direct, unsecured and subordinated liabilities of the Issuer and are considered as Tier 2 instruments</p> <p>In case of ordinary insolvency proceedings (bankruptcy or compulsory liquidation) of the issuer, claims from the bond principal shall be repaid in the following order:</p> <p>(a) upon payment of any present or future claims from: (i) the issuer's unsecured and non-subordinated instruments or liabilities; and (ii) instruments of the issuer's qualifying liabilities in accordance with Article 72b of CRR</p> <p>(b) in the same order (pari passu): (i) mutually; and (ii) with any other current or future receivables from: (x) issuer's Tier 2 instruments; and (y) all other issuer's instruments or liabilities that are or are designated to be repaid in the same order as bonds (except for the issuer's subordinated instruments and liabilities, which are or are designated to be repaid</p>

<sup>3</sup> See Note 1.<sup>4</sup> See Note 1.<sup>5</sup> See Note 1.<sup>6</sup> See Note 1.<sup>7</sup> See Note 1.<sup>8</sup> See Note 1.<sup>9</sup> See Note 1.<sup>10</sup> See Note 1.<sup>11</sup> See Note 1.<sup>12</sup> See Note 1.

Capital instruments main features template				
Common equity Tier 1 capital				Tier 2 (T2) capital
				preferentially or subordinatedly in relation to bonds); and  (c) before repayment of all current or future claims from: (i) issuer's additional Tier 1 instruments in accordance with Article 52 of CRR; (ii) issuer's ordinary shares and any other issuer's CET-1 instruments in accordance with Article 28 of CRR; and (iii) any other issuer's subordinated instruments or liabilities, which are or are designated to be repaid after issuer's liabilities from bonds  Instrument immediately senior to bonds: Unsecured claims from debt instruments fulfilling certain conditions set out in the ninth item of the second paragraph of Article 207 of the Resolution and Compulsory Winding-Up of Banks Act
36	Non-compliant transitioned features	N/A	N/A	No
37	If yes, specify non-compliant features	N/A	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, which comprises:
  - Issued subordinated bonds

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,
- adjustments to Common Equity Tier 1 capital due to prudential filters, i.e. revaluation surplus
- deductions:
  - intangible fixed assets
  - deferred tax assets

- and other adjustments to Tier 1 capital.

Neither of the Groups has additional Tier-1 instruments.

All **capital instruments** of Nova KBM Group are eligible for the inclusion in CET1 and T2 capital calculation. Capital instruments of Biser Topco Group in the amount of 0,7 million EUR are not eligible for the inclusion in CET1 capital calculation and in the amount of 21,6 million EUR in T2 capital calculation on the basis of provisions of CRR Articles 86 and 87.

The Bank issued equity instruments in the amount of 90,4 million EUR acceptable as the additional regulatory capital in 2019. The Bank includes issued equity instruments in the additional capital in full at the level of Nova KBM and the Nova KBM Group, while applying the provisions of Articles 86 and 87 of CRR for the inclusion at the level of the Biser Topco Group. Based on the relevant legislation, the Bank obtained the relevant authorisation of the supervisory authority, the ECB, to include issued Tier 2 capital instruments in the calculation of the regulatory capital.

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

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

In 2020, The Group is disclosing the amount and items of regulatory capital and capital requirements as at 30 September 2020, in line with the provisions of CRR and on the basis of the technical standards with regard to the disclosure of own funds requirement (Commission Implementing Regulation (EU) No 1423/2013).

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

€000

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/09/2020	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	605.960	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-1.581	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)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	194.104	26(2)
6	Common Equity Tier-1 (CET-1) capital before regulatory adjustments	974.636	Sum of row 1 – 5a
7	Additional value adjustments (negative amount)	-2.014	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-35.351	36(1)(b), 37, 472(4)
9	Empty Set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) are met) (negative amount)	-25.758	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)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
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	-3.455	
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		481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>	-66.578	
29	<b>Common equity Tier-1 capital</b>	908.058	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	0	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/09/2020	Regulation (EU) No 575/2013 Article reference
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	0	
44	<b>Additional Tier 1 (AT1) capital</b>	0	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	908.058	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts	68.844	62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	68.844	
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)



Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	0	
58	<b>Tier 2 (T2) capital</b>	68.844	
59	<b>Total capital (TC = T1 + T2)</b>	976.902	
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	<b>Total risk weighted assets</b>	4.918.752	
61	<b>CET1 (as a percentage of risk exposure amount)</b>	18,46%	92(2)(a), 465
62	<b>T1 (as a percentage of risk exposure amount)</b>	18,46%	92(2)(b), 465
63	<b>Total capital (as a percentage of risk exposure amount)</b>	19,86%	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)	7,00%	128, 129 and 130, (CRD)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
65	Of which: capital conservation buffer requirement	2,50%	
66	Of which: countercyclical buffer requirement	0,00%	
67	Of which: systemic risk buffer requirement		
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	11,46%	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)	6.032	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)	0	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)	-8.436	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 6: Nova KBM Group's regulatory capital nature and amounts**

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Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) 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	193.762	26(1)c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	30.706	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	203.918	26(2)
6	Common Equity Tier-1 (CET-1) capital: regulatory adjustments	981.688	Sum of row 1 – 5a
7	Additional value adjustments (negative amount)	-2.014	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-35.351	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)	-24.597	36(1)l, 38, 472(5)
11	Fair value reserves related to gains or losses on cash flow hedges		33(a)
12	Negative amounts resulting from the calculation of expected loss amounts		36(1)(d), 40, 159, 472(6)
13	Any increase in equity that results from securitised assets (negative amount)		32(1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33(b)
15	Defined-benefit pension fund assets (negative amount)		36(1)(e), 41, 472(7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36(1)(f), 42, 472(8)
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36(1)(g), 44, 472(9)
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		36(1)(h), 43, 45, 46, 49(2), and (3), 79, 472(10)
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36(1)(i), 43, 45, 47, 48(1)(b), 49(1) to (3), 79, 470, 472(11)
20	Empty Set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36(1)(k)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/09/2020	Regulation (EU) No 575/2013 Article reference
20b	Of which: qualifying holdings outside the financial sector (negative amount)		36(1)(k)(i), 89 to 91
20c	Of which: securitisation positions (negative amount)		36(1)(k)(ii), 243(1)(b), 244(1)(b), 258
20d	Of which: free deliveries (negative amount)		36(1)(k)(iii), 379(3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38(3) are met) (negative amount)		36(1)(c), 38,48(1)(a), 470, 472(5)
22	Amount exceeding the 15 % threshold (negative amount)		48(1)
23	Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36(1)(ii), 48(1)(b), 470, 472(11)
24	Empty Set in the EU		
25	Of which: deferred tax assets arising from temporary differences		36(1)(c), 38, 48(1)(a), 470, 472(5)
25a	Losses for the current financial year (negative amount)	0	36(1)(a), 472(3)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36(1)(l)
26	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	-3.463	
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		481
	Of which: ...		481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36(1)(j)
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1) capital</b>	-65.425	
29	<b>Common equity Tier-1 capital</b>	916.263	
30	Capital instruments and the related share premium accounts		51, 52
31	Of which: classified as equity under applicable accounting standards		
32	Of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase-out from AT1		486(3)
	Public sector capital injections grandfathered until 1 January 2018		483(3)
34	Qualifying T1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35	Of which: instruments issued by subsidiaries subject to phase-out		486(3)
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	0	
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52(1)(b), 56(a), 57, 475(2)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A)	(B)
		Amount 30/09/2020	Regulation (EU) No 575/2013 Article reference
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56(b), 58, 475(3)
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)		56(c), 59, 60, 79, 475(4)
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)		56(d), 59, 79, 475(4)
41	Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)		
41a	Residual amounts deducted from AT1 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
41b	Residual amounts deducted from AT1 capital with regard to deduction from T2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		477, 477(3), 477(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
41c	Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56(e)
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	0	
44	<b>Additional Tier 1 (AT1) capital</b>	0	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	916.263	Sum of rows 29 – 44
46	Capital instruments and the related share premium accounts	90.400	62, 63
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase-out from T2		486(4)
	Public sector capital injections grandfathered until 1 January 2018		483(4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49	Of which: instruments issued by subsidiaries subject to phase-out		486(4)
50	Credit risk adjustments		62(c) and (d)
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	90.400	
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63(d)(i), 66(a), 67, 477(2)
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66(b), 68, 477(3)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66(c), 69, 70, 79, 477(4)
54a	Of which new holdings not subject to transitional arrangements		
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66(d), 69, 79, 477(4)
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
56a	Residual amounts deducted from T2 capital with regard to deduction from CET1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)
	Of which: items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.		
56b	Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013		475, 475(2)(a), 475(3), 475(4)(a)
	Of which: items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.		
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre-CRR		467, 468, 481
	Of which: ...possible filter for unrealised losses		467
	Of which: ...possible filter for unrealised gains		468
	Of which: ...		481
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	0	
58	<b>Tier 2 (T2) capital</b>	90.400	
59	<b>Total capital (TC = T1 + T2)</b>	1.006.663	
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No. 575/2013 (i.e. CRR residual amounts)		
	Of which: ...items not deducted from CET1 (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)		472, 472(5), 472(8)(b), 472(10)(b), 472(11)(b)
	Of which: ...items not deducted from AT1 items (Regulation (EU) No. 575/2013 residual amounts) (items to be detailed line by line, e.g. reciprocal crossholdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		475, 475(2)(b), 475(2)(c), 475(4)(b)
	Items not deducted from T2 items (Regulation (EU) No. 575/2013 residual amounts)		477, 477(2)(b), 477(2)(c), 477(4)(b)

Common Equity Tier-1 (CET-1) capital: instruments and reserves		(A) Amount 30/09/2020	(B) Regulation (EU) No 575/2013 Article reference
	Items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)		
60	<b>Total risk weighted assets</b>	4.930.071	
<b>Capital ratios and buffers</b>			
61	CET1 (as a percentage of risk exposure amount)	18,59%	92(2)(a), 465
62	T1 (as a percentage of risk exposure amount)	18,59%	92(2)(b), 465
63	Total capital (as a percentage of risk exposure amount)	20,42%	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)	7,25%	128, 129 and 130, (CRD)
65	Of which: capital conservation buffer requirement	2,50%	
66	Of which: countercyclical buffer requirement	0,00%	
67	Of which: systemic risk buffer requirement		
67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0,25%	131 (CRD)
68	CET1 available to meet buffers (as a percentage of risk exposure amount)	11,34%	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)	6.032	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)	0	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)	-8.436	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 30/09/2020	(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)*

Explanations and data are presented in Tables in Chapters 3.1. to 3.3.

### **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 does not apply to the Group as the CRR and CRD requirements, with all amendments and supportive legislation, are used to calculate the regulatory capital of the Group.



## 4. Capital requirements

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

### Regulatory capital

See chapters 1 to 3.

### Risk weighted assets

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

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

The Group discloses the amounts according to the provisions of Chapter 46, paragraph 69 of the Guidelines. The changes in the risk-weighted exposure, which is higher by 1.982 million EUR at the reporting date of 30 September 2020 compared to 31 December 2019, are primarily associated with:

- inclusion of Abanka assets' portfolio on solo, sub-consolidation and consolidation reporting level;
- inclusion of Anepremičnine assets' portfolio on sub-consolidation and consolidation reporting level;
- implementation of CRR "Quick Fix" (Regulation (EU) 2020/873) legislative amendments related to:
  - a favourable treatment of public financing through the issuance of government bonds denominated in the domestic currency of another Member State, i.e. implementation of the transition period for risk weight assignment
  - a revised supporting factor in the range between 76,19% and 85% for loans to small and medium-sized enterprises (SMEs), the 'SME supporting factor', i.e. implementation of EUR 2.500.000 threshold.
- flat loan outstandings in domestic segment and loan growth in the international lending segment, the latter in both the treasury and syndicated loans areas.

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

The table below shows the detailed composition of the capital requirements of the Groups at the end of 2019 and 30.09.2020. Out of the overall Biser Topco Group's capital requirements 89,3% relates to credit risk positions, 10,3% to operational risk and 0,4% to market risk positions.

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

€000

			RWAs		Minimum capital requirements
			30/09/2020	31/12/2019	30/09/2020
	<b>1</b>	<b>Credit risk (excluding counterparty credit risk – CCR)</b>	<b>4.382.574</b>	<b>2.645.772</b>	<b>350.606</b>
Article 438(c)(d)	2	Of which the standardised approach	4.382.574	2.645.772	350.606
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	<b>6</b>	<b>CCR</b>	<b>11.615</b>	<b>4.798</b>	<b>930</b>
Article 438(c)(d)	7	Of which mark to market	0	0	0
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	10.269	4.780	822
	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)	1.346	17	108
438(e)	<b>13</b>	<b>Settlement risk</b>	<b>0</b>	<b>0</b>	<b>0</b>
Article 449(o)(i)	<b>14</b>	<b>Securitisation exposures in the banking book (after the cap)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	<b>19</b>	<b>Market risks</b>	<b>17.630</b>	<b>19.516</b>	<b>1.410</b>
	20	Of which the standardised approach	17.630	19.516	1.410
	21	Of which IMA	0	0	0
Article 438(e)	<b>22</b>	<b>Large exposures</b>			
Article 438(f)	<b>23</b>	<b>Operational risk</b>	<b>506.933</b>	<b>266.253</b>	<b>40.555</b>
	24	Of which basic indicator approach	506.933	266.253	40.555
	25	Of which the standardised approach	0	0	0
	26	Of which advanced measurement approach	0	0	0
Article 437(2), Article 48 and Article 60	<b>27</b>	<b>Amounts below the thresholds for deduction (subject to 250 % risk weight)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Article 500	<b>28</b>	<b>Floor adjustment</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>29</b>	<b>Total</b>	<b>4.918.752</b>	<b>2.936.339</b>	<b>393.501</b>

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

€000

			RWAs		Minimum capital requirements
			30/09/2020	31/12/2019	30/09/2020
	<b>1</b>	<b>Credit risk (excluding counterparty credit risk – CCR)</b>	<b>4.388.510</b>	<b>2.651.148</b>	<b>351.081</b>
Article 438(c)(d)	2	Of which the standardised approach	4.388.510	2.651.148	351.081
Article 438(c)(d)	3	Of which the foundation IRB (FIRB) approach	0	0	0
Article 438(c)(d)	4	Of which the advanced IRB (AIRB) approach	0	0	0
Article 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the internal model approach (IMA)	0	0	0
Article 107, Article 438(c)(d)	<b>6</b>	<b>CCR</b>	<b>11.615</b>	<b>4.798</b>	<b>930</b>
Article 438(c)(d)	7	Of which mark to market	0	0	0
Article 438(c)(d)	8	Of which original exposure	0	0	0
	9	Of which the standardised approach	10.269	4.780	822
	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)	1.346	17	108
Article 438(e)	<b>13</b>	<b>Settlement risk</b>	<b>0</b>	<b>0</b>	<b>0</b>
Article 449(o)(i)	<b>14</b>	<b>Securitisation exposures in the banking book (after the cap)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	15	Of which IRB approach	0	0	0
	16	Of which IRB supervisory formula approach (SFA)	0	0	0
	17	Of which internal assessment approach (IAA)	0	0	0
	18	Of which the standardised approach	0	0	0
Article 438(e)	<b>19</b>	<b>Market risks</b>	<b>17.630</b>	<b>19.516</b>	<b>1.410</b>
	20	Of which the standardised approach	17.630	19.516	1.410
	21	Of which IMA	0	0	0
Article 438(e)	<b>22</b>	<b>Large exposures</b>			
Article 438(f)	<b>23</b>	<b>Operational risk</b>	<b>512.316</b>	<b>300.141</b>	<b>40.985</b>
	24	Of which basic indicator approach	512.316	300.141	40.985
	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	<b>27</b>	<b>Amounts below the thresholds for deduction (subject to 250 % risk weight)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Article 500	<b>28</b>	<b>Floor adjustment</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>29</b>	<b>Total</b>	<b>4.930.071</b>	<b>2.975.602</b>	<b>394.406</b>

#### **4.1 General information on Credit risk RWA**

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

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

In addition to the disclosure of risk weighted exposure amount for credit risk provided in template EU OV1 – Overview of RWAs, the Group is providing the disclosure of risk weighted exposure amount for credit risk related to significant capital investments.

Both Groups have the same portfolio of capital investments, as the Biser Topco Group has no authorisations or licences to carry out any banking activity. As at 30 September 2020 neither Group has any significant investments in equity instruments of insurance or reinsurance companies, or insurance holding companies that are not deducted from the regulatory capital of the respective Group. The immaterial investment that the Groups have are included in the calculation of risk-weighted assets for credit risk with the assigned risk weight of 100 %.

##### **4.1.2 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.

## 5. Leverage ratio

*(Article 451 of the Regulation)*

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

The Group does not apply the option of the temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic in the scope of Leverage Ratio as proposed in Regulation (EU) 2020/873.

### 5.1 Leverage ratio of Biser Topco Group

*(451 a-c of the Regulation)*

€000

Capital and total exposures		
1	Tier-1 capital	908.058
2	<b>Total leverage ratio exposures</b>	9.541.776
Leverage ratio		
3	<b>Leverage ratio</b>	<b>9,52%</b>

### 5.2 Leverage ratio of Nova KBM Group

*(451 a-c of the Regulation)*

€000

Capital and total exposures		
1	Tier-1 capital	916.263
2	<b>Total leverage ratio exposures</b>	9.545.453
Leverage ratio		
3	<b>Leverage ratio</b>	<b>9,60%</b>

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

*(473a. of the Regulation)*

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

## 7. Transitional provisions for disclosure of own funds

*(492. of the Regulation)*

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

The Group decided not to apply the capital relief related to temporary treatment of unrealised gains and losses of FVOCI government debt securities portfolio as proposed in Regulation (EU) 2020/873.