



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

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**JANUARY - DECEMBER 2013**



**FEBRUARY 2014**



**Nova KBM**  
READY FOR TOMORROW

## Corporate governance bodies as of 31 December 2013

### Management Board of Nova KBM

Aleš Hauc **President**  
Igor Žibrik **Member**

### Executive Directors of Nova KBM

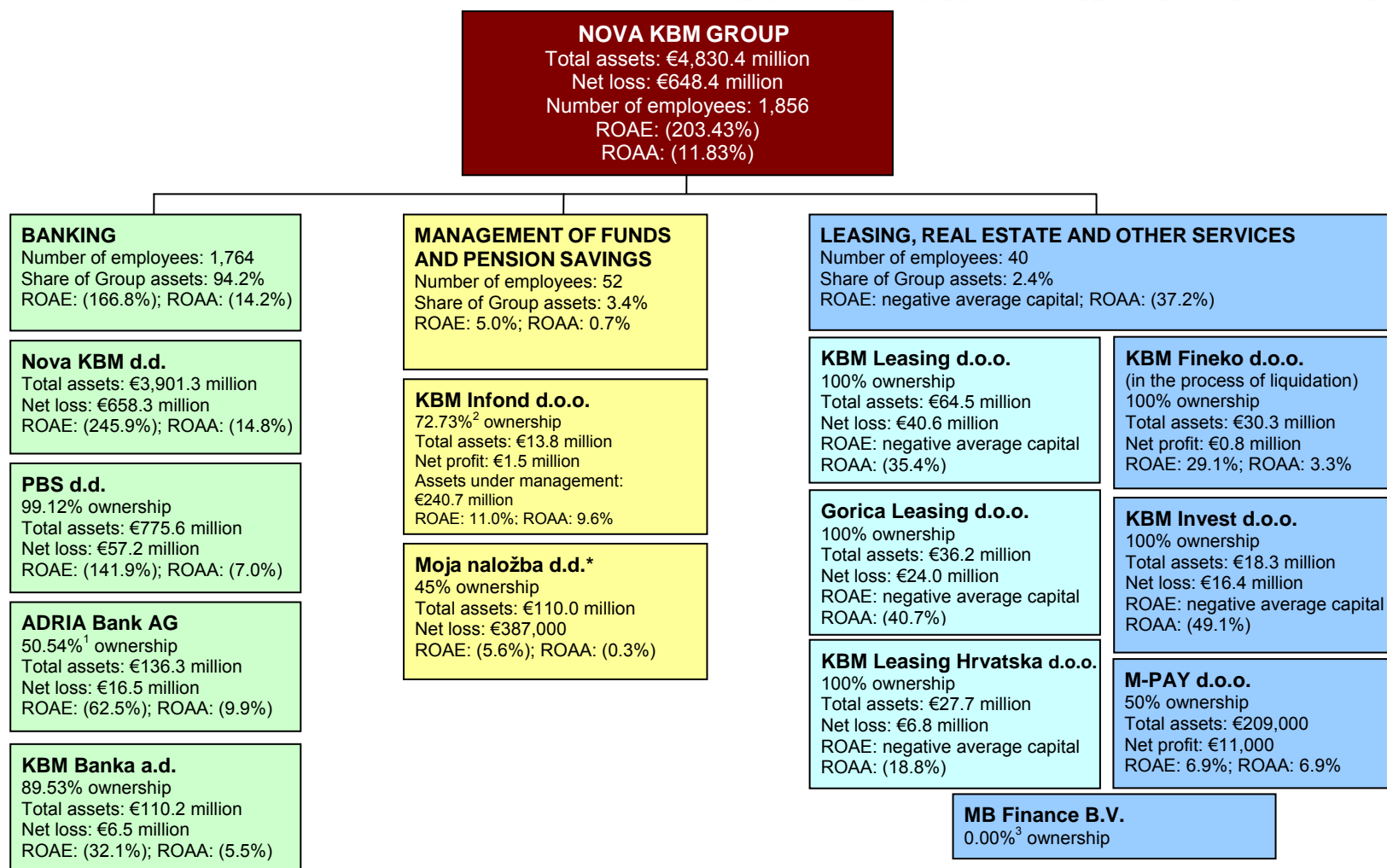
Aleksander Batič  
Jernej Močnik  
Peter Kupljen  
Sabina Župec Kranjc  
Uroš Lorenčič  
Vlasta Brečko

### Supervisory Board of Nova KBM

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

Name of the parent bank:	Nova Kreditna banka Maribor d.d.
Short name of the parent bank:	Nova KBM d.d.
Registered office:	Ulica Vita Kraigherja 4, 2505 Maribor
BIC (SWIFT):	KBMASI2X
Reuters:	KBMS
IBAN:	SI56 0100 0000 0400 014
Account No.:	01000-0000400014
Registration No.:	5860580
Entry No. in the register of companies kept by the Maribor District Court:	062/10924200
VAT ID No.:	SI94314527
Share capital:	€150,000,000.00





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

\* Associated company.

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

<sup>2</sup> The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

<sup>3</sup> In accordance with an explanation given by the Standing Interpretation Committee (SOP 12), MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.



# Key performance indicators of the Nova KBM Group

	2013	2012	Index
<b>Statement of financial position (€000)</b>	<b>31.12.</b>	<b>31.12.</b>	
Total assets	4,830,367	5,321,810	91
Total deposits from the non-banking sector	3,079,299	3,618,678	85
Total loans and advances to the non-banking sector	2,259,645	3,397,900	67
Total equity	597,830	253,204	236
<b>Statement of income (€000)</b>	<b>12M 2013</b>	<b>12M 2012</b>	
Net interest income	78,752	105,844	74
Net fee and commission income	59,407	58,800	101
Net gains from trading in securities and foreign exchange	56,935	24,058	237
Other income/(loss)	(11,916)	23,079	
Operating costs	(121,366)	(120,502)	101
Impairment losses and provisions	(673,364)	(309,466)	218
(Loss) from continuing and discontinued operations	(611,552)	(218,187)	280
Net (loss) for the financial year	(648,386)	(205,697)	315
<b>Ratios</b>	<b>31.12.</b>	<b>31.12.</b>	
Net (loss) per share (€) <sup>4</sup>	(3.34)	(5.25)	
Share price (€)	-	1.300	
Book value per share (€) <sup>5</sup>	58.63	5.37	
Total capital adequacy ratio (%)	19.18	9.17	
Tier I capital ratio (%)	19.10	8.17	
Core Tier I capital ratio (%)	19.10	5.26	
ROAA before tax (%)	(11.83)	(3.85)	
ROAE before tax (%)	(203.43)	(55.00)	
Operating costs/Average total assets (%)	2.35	2.12	
Cost/Income (%)	66.26	56.90	

<sup>4</sup> *Net profit/loss per share* is calculated as the ratio between the annualised net profit or loss attributable to owners of the parent and the weighted average number of Bank shares in the reporting period. 10,000,000 KBMS shares were taken into account in the calculation of data for the end of 2013.

<sup>5</sup> *Book value per share* on the last day of the reporting period is calculated as the ratio between the equity attributable to owners of the parent and the total number of Bank shares outstanding on the last day of the reporting period.



# Statement by the Management Board

**Dear Sirs,**

In the last month of 2013, we saw the end of the period during which Nova KBM had a prominent position as having the largest number of shareholders of any company in Slovenia. Since 18 December 2013, the Republic of Slovenia has been the sole owner and shareholder of Nova KBM. After the results were published on 12 December 2013 of stress tests that had been conducted in several Slovene banks by independent reviewers, recapitalisation worth €870 million was provided to Nova KBM by the state, while the holders of Nova KBM shares, as well as holders of hybrid notes, and bonds with characteristics of innovative instruments issued by Nova KBM were expropriated. The legal basis for the cancellation of shares and subordinated instruments referred to above was the extraordinary measures imposed on Nova KBM by the Bank of Slovenia on the basis of the latest amendments to the Banking Act.

We at Nova KBM understand the huge disappointment of holders of shares, hybrid notes, and bonds with characteristics of innovative instruments issued by our Bank, who have been left without these assets as a result of measures imposed by the Bank of Slovenia, and a capital injection into the Bank made by the Ministry of Finance of the Republic of Slovenia. Many investors, especially those who decided to participate in our 2007 initial public offering of shares because they had confidence in our performance, now feel that the Bank has not met their expectations. In this regard, we wish to clarify that regular banking business,

and investment in equities and other securities issued by the Bank, are two different types of operation, which are based on different assumptions with respect to the level and type of risk accepted by customers and investors. We are confident that in the provision of regular banking services, such as deposits, loans and other types of financing, we have managed to fully, or at least to large extent, justify the confidence of our customers by helping them overcome their financial problems and meet their development objectives, always in accordance with the laws governing the banking business.

The current Management Board, which took over the running of the Bank in 2012, is, along with the senior management team, making every effort to investigate past business practices and decisions. Our principal objective is to transform the Bank into a more efficient financial institution whose success is built on high ethical and professional standards; thereby justifying the confidence of its customers and owners. We would like the reasons for past improper business practices that have contributed to the present high level of non-performing loans to be examined in full, and responsibility assigned. With respect to past transactions that have been identified as involving irregularities, or even criminal conduct, we have already filed actions for damages against several individuals, in addition to bringing charges in cases where a suspicion of criminal activity exists. We are actively helping the competent authorities resolve the issues related to past operations



of the Bank, and we are determined to do whatever necessary to protect the interests of the Bank and its customers in the future.

### **Performance of Nova KBM in the last quarter of 2013**

The implementation of adopted business policies and measures aimed at improving the performance of the Bank was reflected in the results of our operations for the last quarter of 2013. On 1 October 2013, the organisational structure of Nova KBM became slimmer and more efficient, which helped us achieve significant cost savings at the Group level. A total of 247 cost-cutting measures, the implementation of which started vigorously in autumn 2012, are expected to bring down our operating costs by €12.4 million. Also, in the last quarter of 2013, a number of steps were taken that have led to an improvement in the loan process and early warning system for potentially distressed loans, resulting in a reduction of credit and operational risks. At the end of December 2013, the legal transfer of bad loans to the Bank Asset Management Company (BAMC) took place, while the physical transfer of these loans will be conducted gradually in five tranches, presumably by the end of April.

Taking into consideration the deteriorating economic conditions and the results of the assets quality review, in 2013 the Group set aside significant provisioning expenses, as a result of which it incurred a pre-tax loss from continuing operations of €611.6 million. The December 2013 recapitalisation of Nova KBM significantly boosted the capital base of the Group, strengthening its total capital adequacy ratio to 19.18% as of 31 December 2013.

### **Fresh capital constitutes a commitment to act decisively to carry on the restructuring programme of the Bank and the Nova KBM Group**

The decision of the Bank of Slovenia, as the regulator of the national financial system, regarding the recapitalisation has to be understood in the light of actions taken to ensure the future development of Nova KBM. Namely, the results of the stress tests have shown that, in the case of the worst-case scenario of deteriorating economic conditions, the Bank would suffer from a significant lack of capital. In addition, the results of the independent asset quality review mentioned above revealed that, owing to an increasing number of defaulting customers, the Bank would need to set aside additional provisioning expenses for last year, as a result of which it would report a substantial loss for the end of the year. The (expected) year-end amount of loss assessed on the basis of this review, as well as additional capital requirements arising from the results of the stress tests, were covered by the aforementioned capital injection, which only the Republic of Slovenia was able to provide within such a short period.

As regards the rehabilitation of banks, the Republic of Slovenia is obliged to comply with the regulations governing the provision of state aid within the EU. These regulations stipulate that the government may recapitalise a troubled bank that is undergoing a rehabilitation process, but only after the identified loss is fully covered by the existing equity holders, i.e. the shareholders and holders of subordinated instruments. After due consideration of various options, the Government of the Republic of Slovenia had to adopt measures necessary to ensure conditions for the successful performance of banks in the future, and to restore the



stability of the financial system. Given that Nova KBM is a systemically important bank and that any disruption in its operations may entail considerable risks to the national financial stability, it was entitled to state aid and a capital injection from the Republic of Slovenia. The state aid will help the Bank ensure successful and reliable performance in the long run, at the same time giving the Bank the obligation to justify the receipt of the aid and to fulfil the commitments under the state aid regulations and regulations governing the banking business.

In December 2013, the European Commission approved the restructuring programme for the Nova KBM Group, which the Bank was obliged to prepare in accordance with the rules of the European Commission because it benefited from state aid through capital injections in 2012 and 2013. The restructuring programme takes into consideration the declaration by the Republic of Slovenia to sell Nova KBM by the end of 2016 at the latest. The commitments set out in the restructuring programme will be cancelled upon the sale taking place, and the implementation of the adopted strategy, or the drafting of a new one, will be the responsibility of the new owner. The main goal of the restructuring programme is to restore the profitability and vitality of Nova KBM. The restructuring programme encompasses 16 umbrella commitments that the Bank and the Republic of Slovenia must fulfil by the end of 2017, of which some of the most important are as follows: a reduction in NPLs in the total loan portfolio; gradual downsizing of total assets; a reduction in operating costs and a streamlining of business processes, including the optimisation of the branch network; improvements in the corporate governance system as well as the risk management and the loan origination models; focus of the Nova KBM Group on traditional banking services; and divestment,

i.e. the sale of non-strategic assets. In line with the latter two commitments, in 2012 Nova KBM sold its shareholding in Zavarovalnica Maribor, while in 2013 it injected additional capital into PBS to increase its shareholding to 99.1%, and purchased from the Republic of Serbia the shares of KBM Banka to become its 89.53% majority shareholder. Changes are also expected to take place in the leasing segment. The option is being considered to integrate the leasing business into Nova KBM, for which a licence has already been obtained from the Bank of Slovenia.

### **The future of Nova KBM and the Nova KBM Group**

Nova KBM has over 150 years of tradition of providing banking and other financial services. Since its foundation, it has overcome numerous challenges.

In a century and a half, it has managed to build its reputation by providing first-class banking services and developing professional customer relationships. Neither the management nor any of the other employees are indifferent to how the Bank performs and the level of confidence that is placed in it. Over the last year and a half, we have implemented a number of measures to improve the performance of the Bank and restructure the entire Nova KBM Group, some of which have already started to show positive results. All this is being done with a view and commitment to becoming a permanently successful financial institution.

Nova KBM is already today a robust and well-performing bank with a strong liquidity position. It employs staff with a vast range of experience and qualifications, who are able to provide all kinds of first-class financial services. We are strongly committed to setting up an operating environment that will



prevent any of the irregularities we have seen in the past from occurring in the future.

Nova KBM is again, as has been the case several times during its history, at a turning point. The Republic of Slovenia has recently reclaimed its position as the sole shareholder of the Bank. Through the provision of high-quality services, and through mutual respect and a professional

attitude we will strive to retain and even strengthen the relationships with our customers, including those who had been shareholders of our Bank until 18 December 2013.

Maribor, February 2014

Management Board of Nova KBM d.d.



Igor Žibrik  
Member



Aleš Hauc  
President





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

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

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

The Bank is obliged to prepare consolidated financial statements.

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

COMPANY	POSITION IN THE GROUP	Share of voting rights (%)
Nova KBM d.d.	parent bank	
Poštna banka Slovenije d.d.	subsidiary bank	99.12
Adria Bank AG	subsidiary bank	50.54 <sup>6</sup>
KBM Banka a.d.	subsidiary bank	89.53
KBM Fineko d.o.o. (in the process of liquidation)	subsidiary company	100.00
KBM Infond d.o.o.	subsidiary company	72.73 <sup>7</sup>
KBM Leasing d.o.o.	subsidiary company	100.00
KBM Invest d.o.o.	subsidiary company	100.00
Gorica Leasing d.o.o.	subsidiary company	100.00
M-PAY d.o.o.	subsidiary company	50.00
KBM Leasing Hrvatska d.o.o.	subsidiary company	100.00
MB Finance B.V.	subsidiary company	00.00 <sup>8</sup>
Moja naložba d.d.	associated company	45.00

In December 2013, the put option of the Republic of Serbia on its 12.89% shareholding in KBM Banka was exercised at the exercise price of €5,641,000. Thus, Nova KBM increased its shareholding and voting rights in KBM Banka to 89.53%.

Also in December 2013, Nova KBM injected €42,474,000 of fresh capital into PBS, thus increasing its shareholding in PBS from 55.00% to 99.12%.

<sup>6</sup> The Group's stake in the share capital of and voting rights in Adria Bank accounts for 50.54%, while its stake in the paid-up capital of Adria Bank equals 46.65%. Paid-up capital is made up of share capital and participating interests without voting rights held by non-controlling interest.

<sup>7</sup> The Group's stake in the share capital of KBM Infond accounts for 72.00%. Due to KBM Infond holding a certain amount of its own shares, the Group's stake in the capital of and voting rights in KBM Infond equals 72.73%.

<sup>8</sup> In accordance with an explanation given by the Standing Interpretation Committee (SOP 12), MB Finance is regarded as a special purpose vehicle controlled by Nova KBM. Nova KBM has neither voting rights nor an equity stake in this entity.



### Key performance indicators of individual Group companies for the year ended 31 December 2013

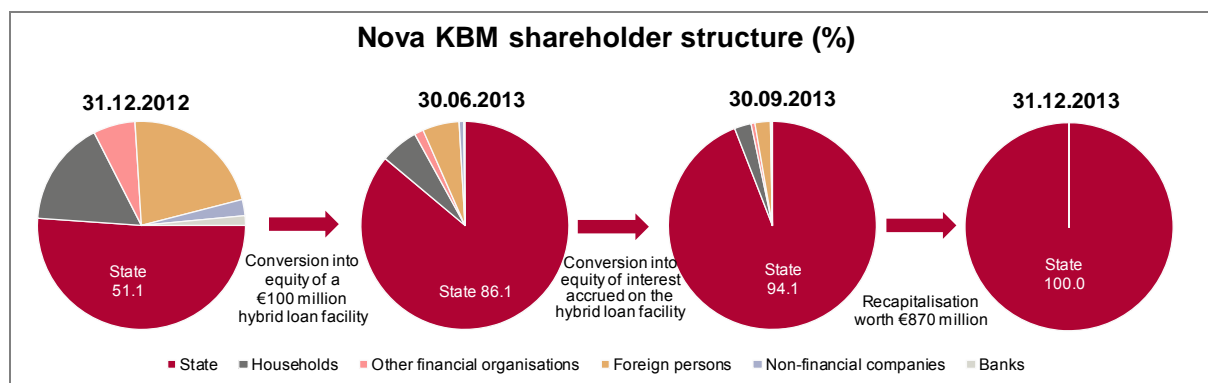
COMPANY	Number of employees	Net profit or (loss) (€000)	Total assets (€000)	ROAE before tax (%)	ROAA before tax (%)
Nova KBM d.d.	1,201	(658,270)	3,901,295	(259.20)	(15.62)
Poštna banka Slovenije d.d.	239	(57,164)	775,642	(142.20)	(7.05)
Adria Bank AG	34	(16,471)	136,335	(63.70)	(10.11)
KBM Banka a.d.	290	(6,491)	110,208	(29.49)	(5.07)
KBM Fineko d.o.o. (in the process of liquidation)	1	755	30,306	22.17	2.51
KBM Infond d.o.o.	37	1,458	13,776	10.91	9.51
KBM Leasing d.o.o.	10	(40,584)	64,491	- <sup>9</sup>	(39.08)
KBM Invest d.o.o.	9	(16,446)	18,347	- <sup>9</sup>	(50.94)
Gorica Leasing d.o.o.	12	(24,031)	36,214	- <sup>9</sup>	(40.66)
M-PAY d.o.o.	0	11	209	5.41	5.39
KBM Leasing Hrvatska d.o.o.	8	(6,818)	27,740	- <sup>9</sup>	(18.76)
Moja naložba d.d.	15	(387)	110,024	(5.64)	(0.33)

<sup>9</sup> Not calculated due to negative average capital.



# Shareholder structure and information on shares

Following the recapitalisation of Nova KBM in December 2013, the Republic of Slovenia became the only owner of all of the 10,000,000 ordinary no-par value shares issued by Nova KBM. The changes in the shareholder structure of Nova KBM in 2013 are presented in the chart below.



In anticipation of the publication of the banks' asset quality review results, on 2 December 2013 the Ljubljana Stock Exchange determined that not all of the conditions for fair, regulated and efficient trading in bank shares and subordinated instruments had been met. Therefore, in accordance with the applicable legislation and its competences, it decided to suspend the trading in KBMR shares as of that date. On 12 December 2013, the Bank of Slovenia revealed the Report on Due Diligence of the Slovene Banking System, and presented the measures to be taken to stabilise the Slovene financial sector. Based on the consent of the European Commission regarding the provision of state aid for five Slovene banks, including Nova KBM, on 18 December 2013 the Ministry of Finance of the Republic of Slovenia injected €870 million of fresh capital into Nova KBM after all qualified liabilities of Nova KBM, which comprised obligations arising from the Bank's share capital and obligations to the holders of its subordinated financial instruments, had been written off in accordance with an extraordinary measure taken by the Bank of Slovenia. The European Commission agreed to the restructuring programme of Nova KBM in order to ensure the long-term financial stability of the Bank and, consequently, of the Slovene banking system.

## Information on KBMS shares

As of 31 December 2013, the share capital of Nova KBM totalled €150,000,000 and was split into 10,000,000 ordinary no-par value shares with the ticker symbol KBMS. KBMS shares are not quoted on a regulated capital market. Nova KBM has issued only one class of shares which are all freely transferable and bear the same rights. Each ordinary share entitles its holder to one vote at the Bank Shareholders' Meeting. The rights of the holders of ordinary shares are set out in the relevant legislation of the Republic of Slovenia.

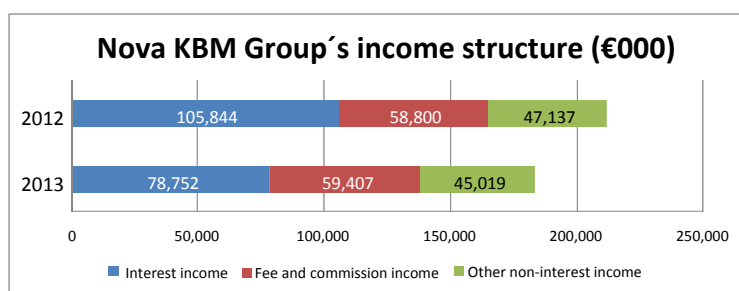


## Operating results of the Nova KBM Group

For the year ended 31 December, the Group reported a **pre-tax, pre-provision profit from continuing operations** of €61,812,000. The high level of provisioning expenses, which caused the Group to incur a **net loss** of €648,386,000 for 2013, was, apart from the deteriorating economic conditions, the result of an independent asset quality review carried out in December 2013, based on which the Group was requested to set aside a significant amount of impairment losses for its loan portfolio.

All banks in the Group, the leasing division, KBM Invest, and Moja naložba, the Group's associated company providing voluntary supplementary pension insurance, posted a loss for 2013.

Compared to 2012, the income generated by the Group declined by €28,603,000, mainly as a result of lower interest income reported by the Group banks, in part reflecting a change in the structure and volume of business. A fairly high level of impairment of interest also had a negative effect on interest income.

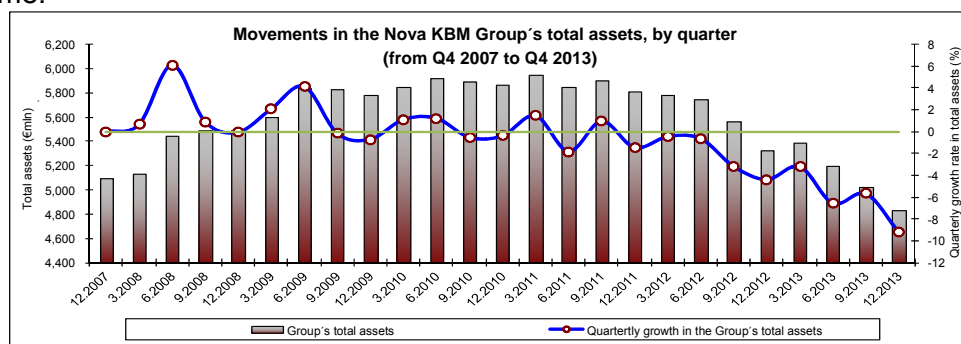


**Operating costs** incurred by the Group in 2013 totalled €121,366,000, up 0.7% on 2012. The year-on-year decrease in staff and material costs was offset by higher costs of services owing to the extraordinary expenses related to the restructuring and a due diligence review, as well as to advisory fees associated with the sale of Zavarovalnica Maribor. For 2013 as a whole, the Group's and Nova KBM's cost-to-income ratios stood at 66.26% and 57.20%, respectively.



# Financial position of the Nova KBM Group

At the end of 2013, the Group's **total assets** amounted to €4,830.4 million, down €491.4 million on the end of 2012, with Nova KBM registering the largest drop. The decline in total assets was in line with the commitments set out in the Group's restructuring programme.



**Net loans and advances to customers** decreased year-on-year by €1,138.3 million, partially as result of additional impairment losses set aside for the loan portfolio, and partially due to the transfer of bad loans to BAMC.

As of 31 December 2013, **available-for-sale financial assets** totalled €1,466.9 million, up €877.5 million on the end of 2012. The increase was attributable to bonds worth €389.9 million, which the Bank received in exchange for transferring bad loans to BAMC, and bonds (RS62, RS67 and RS69) worth €250 million, provided to the Bank by the Republic of Slovenia as part of the recapitalisation scheme.

In addition to providing bonds, the Republic of Slovenia recapitalised the Bank by making a cash injection of €258 million, and by converting a €361 million deposit from the Ministry of Finance into equity. **Deposits from customers** decreased by €539.4 million to €3,079.3 million at the end of 2013, in part reflecting the conversion of state deposits into equity, with the remaining decline being attributed to a year-on-year drop in deposits placed with the Bank by households and other financial organisations. This decrease was partially offset by a rise in deposits from non-financial companies.

**Loans from banks** saw a decrease of €161.1 million. The largest proportion of this decrease was attributable to the prepayment of a long-term loan facility by Nova KBM, while the remaining amount related to the scheduled repayments of loans.

The balance of **subordinated liabilities** went down in 2013 as a result of the extraordinary measure to write off all of the qualified liabilities of Nova KBM in order to cover its loss.

The increase in the **Group's total equity** at the end of 2013 was attributable mainly to an €870 million capital injection into Nova KBM, which the Ministry of Finance of the Republic of Slovenia provided after all of the qualified liabilities of Nova KBM had been written off. The capital injection made by the state was partially offset by a net loss incurred by the Group, so the total equity of the Group amounted to €597.8 million at the end of 2013.

The Group's **Tier I capital ratio** stood at 19.10% at the end of 2013.



# Financial statements of the Nova KBM Group

## Consolidated Statement of Income – Nova KBM Group

€000

ITEM DESCRIPTION	Year ended 31.12.2013	Year ended 31.12.2012	Index
1	2	3	4=2/3
Interest income	181,151	227,856	79.5
Interest expense	(102,399)	(122,012)	83.9
<b>Net interest income</b>	<b>78,752</b>	<b>105,844</b>	<b>74.4</b>
<b>Dividend income</b>	<b>1,387</b>	<b>2,572</b>	<b>53.9</b>
Fee and commission income	92,451	94,185	98.2
Fee and commission expense	(33,044)	(35,385)	93.4
<b>Net fee and commission income</b>	<b>59,407</b>	<b>58,800</b>	<b>101.0</b>
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	57,306	25,972	220.6
Net gains/(losses) on financial assets and liabilities held for trading	2,532	(5,306)	-
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(1,229)	2,656	-
Net exchange rate differences	(1,674)	736	-
Net gains on derecognition of assets excluding non-current assets held for sale	595	15	-
Other net operating income/(loss)	(12,822)	2,451	-
Administration costs	(104,912)	(104,059)	100.8
Depreciation and amortisation	(16,454)	(16,443)	100.1
Provisions	(37,679)	(9,072)	415.3
Impairment losses	(635,685)	(300,394)	211.6
Share of profits/(losses) of associates and joint ventures accounted for using the equity method	(174)	144	-
Net (losses) from non-current assets held for sale and liabilities associated therewith	(902)	(3,553)	25.4
<b>(LOSS) FROM CONTINUING OPERATIONS</b>	<b>(611,552)</b>	<b>(239,637)</b>	<b>255.2</b>
Income tax related to profit or loss from continuing operations	(36,834)	12,490	-
<b>NET (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(648,386)</b>	<b>(227,147)</b>	<b>285.4</b>
Total profit after tax from discontinued operations	0	21,450	-
<b>NET (LOSS) FOR THE FINANCIAL YEAR</b>	<b>(648,386)</b>	<b>(205,697)</b>	<b>315.2</b>
a) Attributable to owners of the parent	(612,150)	(205,589)	297.8
b) Attributable to non-controlling interest	(36,236)	(108)	-



## Consolidated Statement of Financial Position – Nova KBM Group

€000

ITEM DESCRIPTION	31.12.2013	31.12.2012	Index
1	2	3	4=2/3
Cash and balances with the central bank	435,478	223,882	194.5
Financial assets held for trading	1,786	1,572	113.6
Financial assets designated at fair value through profit or loss	24,586	34,563	71.1
Available-for-sale financial assets	1,466,864	589,413	248.9
Loans and advances	2,407,329	3,633,260	66.3
- loans and advances to banks	129,674	162,408	79.8
- loans and advances to customers	2,259,645	3,397,900	66.5
- other financial assets	18,010	72,952	24.7
Held-to-maturity financial assets	280,153	500,108	56
Non-current assets and disposal groups classified as held for sale and discontinued operations	7,868	2,282	344.8
Property, plant and equipment	73,677	86,765	84.9
Investment property	38,426	53,317	72.1
Intangible assets	32,894	37,485	87.8
Investments in the equity of associates and joint ventures accounted for using the equity method	2,957	3,090	95.7
Tax assets	3,233	41,317	7.8
- current tax assets	960	2,424	39.6
- deferred tax assets	2,273	38,893	5.8
Other assets	55,116	114,756	48
<b>TOTAL ASSETS</b>	<b>4,830,367</b>	<b>5,321,810</b>	<b>90.8</b>
Financial liabilities to the central bank	482,891	485,149	99.5
Financial liabilities held for trading	1,422	1,658	85.8
Financial liabilities measured at amortised cost	3,649,953	4,528,517	80.6
- deposits from banks	60,271	107,077	56.3
- deposits from customers	3,074,748	3,612,206	85.1
- loans from banks	414,883	576,004	72
- loans from customers	4,551	6,472	70.3
- debt securities	60,973	88,592	68.8
- subordinated liabilities	1,250	98,069	1.3
- other financial liabilities	33,277	40,097	83
Provisions	83,205	46,630	178.4
Tax liabilities	686	0	-
- current tax liabilities	88	0	-
- deferred tax liabilities	598	0	-
Other liabilities	14,380	6,652	216.2
<b>TOTAL LIABILITIES</b>	<b>4,232,537</b>	<b>5,068,606</b>	<b>83.5</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	<b>586,320</b>	<b>210,167</b>	<b>279</b>
Non-controlling interest	11,510	43,037	26.7
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>597,830</b>	<b>253,204</b>	<b>236.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,830,367</b>	<b>5,321,810</b>	<b>90.8</b>



# Financial statements of Nova KBM d.d.

## Statement of Income – Nova KBM d.d.

€000

ITEM DESCRIPTION	Year ended 31.12.2013	Year ended 31.12.2012	Index
1	2	3	4=2/3
Interest income	145,977	177,026	82.5
Interest expense	(85,279)	(105,290)	81.0
<b>Net interest income</b>	<b>60,698</b>	<b>71,736</b>	<b>84.6</b>
<b>Dividend income</b>	<b>1,811</b>	<b>3,364</b>	<b>53.8</b>
Fee and commission income	46,299	46,365	99.9
Fee and commission expense	(4,424)	(4,630)	95.6
<b>Net fee and commission income</b>	<b>41,875</b>	<b>41,735</b>	<b>100.3</b>
Realised gains on financial assets and liabilities not measured at fair value through profit or loss	56,253	24,550	229.1
Net gains/(losses) on financial assets and liabilities held for trading	1,062	(8,630)	-
Net gains/(losses) on financial assets and liabilities designated at fair value through profit or loss	(1,229)	2,633	-
Net exchange rate differences	(1,343)	716	-
Net gains/(losses) on derecognition of assets excluding non-current assets held for sale	136	(26)	-
Other net operating (loss)	(14,649)	(1,067)	1372.9
Administration costs	(71,134)	(70,157)	101.4
Depreciation and amortisation	(11,788)	(11,986)	98.3
Provisions	(35,964)	(9,947)	361.6
Impairment losses	(650,622)	(295,038)	220.5
Net gains from non-current assets held for sale and liabilities associated therewith	367	397	92.4
<b>(LOSS) FROM CONTINUING OPERATIONS</b>	<b>(624,527)</b>	<b>(251,720)</b>	<b>248.1</b>
Income tax related to profit or loss from continuing operations	(33,743)	11,080	-
<b>NET (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(658,270)</b>	<b>(240,640)</b>	<b>273.5</b>
Total profit after tax from discontinued operations	0	37,385	0.0
<b>NET (LOSS) FOR THE FINANCIAL YEAR</b>	<b>(658,270)</b>	<b>(203,255)</b>	<b>323.9</b>





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

€000

ITEM DESCRIPTION	31.12.2013	31.12.2012	Index
1	2	3	4=2/3
Cash and balances with the central bank	334,830	151,124	221.6
Financial assets held for trading	612	1,178	52.0
Financial assets designated at fair value through profit or loss	24,586	34,043	72.2
Available-for-sale financial assets	1,210,799	417,102	290.3
Loans and advances	1,985,880	3,127,450	63.5
- loans and advances to banks	152,218	169,382	89.9
- loans and advances to customers	1,822,378	2,891,136	63.0
- other financial assets	11,284	66,932	16.9
Held-to-maturity financial assets	192,437	397,130	48.5
Non-current assets and disposal groups classified as held for sale and discontinued operations	780	310	251.6
Property, plant and equipment	58,010	62,004	93.6
Investment property	2,339	1,660	140.9
Intangible assets	18,329	23,381	78.4
Investments in the equity of subsidiaries, associates and joint ventures	57,725	55,980	103.1
Tax assets	960	35,100	2.7
- current tax assets	2	4	50.0
- deferred tax assets	958	35,096	2.7
Other assets	14,008	32,106	43.6
<b>TOTAL ASSETS</b>	<b>3,901,295</b>	<b>4,338,568</b>	<b>89.9</b>
Financial liabilities to the central bank	426,002	423,646	100.6
Financial liabilities held for trading	976	3,412	28.6
Financial liabilities measured at amortised cost	2,868,474	3,674,360	78.1
- deposits from banks	51,982	53,880	96.5
- deposits from customers	2,359,553	2,910,847	81.1
- loans from banks	357,910	501,368	71.4
- loans from customers	4,549	6,368	71.4
- debt securities	69,284	88,591	78.2
- subordinated liabilities	0	88,190	0.0
- other financial liabilities	25,196	25,116	100.3
Provisions	76,516	41,033	186.5
Other liabilities	11,978	3,548	337.6
<b>TOTAL LIABILITIES</b>	<b>3,383,946</b>	<b>4,145,999</b>	<b>81.6</b>
Share capital	150,000	40,814	367.5
Share premium	358,802	165,775	216.4
Revaluation reserves	8,547	(2,092)	-
Reserves from profit	0	275,044	0.0
Retained (loss) (including net loss for the financial year)	0	(286,972)	0.0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>517,349</b>	<b>192,569</b>	<b>268.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,901,295</b>	<b>4,338,568</b>	<b>89.9</b>



# Financial calendar of Nova KBM d.d. for 2014

All notices and announcements released by Nova KBM are available in the electronic dissemination system of the Ljubljana Stock Exchange ([www.ljse.si](http://www.ljse.si)) and on the Nova KBM website ([www.nkbm.si](http://www.nkbm.si)).

Type of publication or event	Anticipated date of publication or event
The 2013 audited Annual Report of Nova KBM d.d. and the Nova KBM Group	Monday, 31 March 2014
Statement of compliance with the Corporate Governance Code	Monday, 31 March 2014
Preliminary information on results for the period January – March 2014	Monday, 28 April 2014
Notice of the 26th regular Shareholders' Meeting of Nova KBM d.d.	Friday, 9 May 2014
Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – March 2014	Friday, 30 May 2014
The 26th regular Shareholders' Meeting of Nova KBM d.d.	Tuesday, 10 June 2014
Decisions adopted at the 26th regular Shareholders' Meeting of Nova KBM d.d.	Wednesday, 11 June 2014
Preliminary information on results for the period January – June 2014	Thursday, 31 July 2014
Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – June 2014	Friday, 29 August 2014
Preliminary information on results for the period January – September 2014	Thursday, 30 October 2014
Report on operations and unaudited financial statements of Nova KBM d.d. and the Nova KBM Group for the period January – September 2014	Friday, 28 November 2014
The 2015 Business Plan of Nova KBM d.d. and the Nova KBM Group	Monday, 22 December 2014

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