

NOVA KBM d.d., Maribor

Preliminary information on the results of Nova KBM for the period January – March 2014

In accordance with the applicable legislation and good business practice, Nova KBM hereby gives the following notice:

For the three-month period ended 31 March 2014, Nova KBM reported a **pre-tax, pre-provision profit** of €18.9 million, compared to €6.0 million reported for the same period last year. **Net provisioning expenses** incurred by the Bank in the first three months of the year totalled €10.1 million, down 17.0% on the same period of 2013. **Net interest income** increased year-on-year by one-third to €21.8 million, while the interest margin, calculated on the average total assets, reached 2.25%. **Non-interest income**, including net fees and commissions, amounted to €14.4 million, an increase of over 50% from the previous year. Net fees and commissions earned by the Bank were sufficient to cover 59.0% of its operating costs. The year-on-year decrease of 8.2% in operating costs was attributable to a decline in both material and service costs and staff costs, with the latter falling by 6.4%. The reduction in operating costs was in line with the commitments set out in the restructuring programme. The Bank's **pre-tax profit from continuing operations** reached €8.8 million, while its **net profit** stood at €8.9 million. Year-on-year, the number of staff working at Nova KBM was reduced by 97.

At the end of March 2014, the Bank's **total assets** were €3,992.2 million, an increase of €82.2 million, or 2.1%, from the end of last year. In terms of total assets, the Bank's market share increased by 0.3 percentage points to 9.9% as of 31 March 2014.

Net loans and advances to customers totalled €1,766.7 million, down €59.6 million on the 2013 year-end, with the Bank's market share in this segment decreasing by 0.1 percentage point to 7.4% at the end of March 2014. **Deposits from customers** amounted to €2,440.5 million, up €76.4 million on the 2013 year-end. The Bank's market share in deposits from the non-banking sector remained flat at 10.5%. The customer net loans-to-deposits ratio fell by 4.9 percentage points to reach 72.4% at the end of March 2014.

As of 31 March 2014, the Bank's **total equity** amounted to €543.3 million, up 4.9% on the end of 2013, with its total capital adequacy ratio standing at 20.49%, as calculated according to the Basel II rules.

This notice will be available on the Bank's website (www.nkbm.si) from 30 April 2014.

Management Board of Nova KBM d.d.

Date: 30 April 2014